Online Social Media Marketing Plan

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# Executive summary

Amsterdam Velo is a bicycle tour company which is active in and around Amsterdam. It was founded in 2011 by the owner Paul Spits. The business has been prospering quite rapidly ever since. However, the tourism industry is dynamic and changing fast, in order to anticipate to the changes it has to compile a new strategy. The company is endeavoring to be innovative and trend spotting in order to meet the ever-changing environment.

The amount of incoming tourists to the Netherlands in 2011 was 11.3 million and it is expected that this amount will grow with 1% in the upcoming two years. The amount of French speaking tourists from France, Belgium and Switzerland, which is the main target market of Amsterdam Velo will grow even faster.

The target market needs Amsterdam Velo because it offers tours which are guided by professional, experienced and native French speaking guides. Moreover, it offers a ‘French touch’ by being very well aware of the socio cultural demands of the French speaking tourists.

The company is not fully taking advantage of these strong features. It is struggling to penetrate more deeply in the niche market, and to increase its market share due to underdeveloped online (social media) marketing. As a consequence it is prerequisite to alter the strategy to attract more potential customers.

The internet penetration in Europe is expanding rapidly. The trend is that the majority of the travelers are tailoring and booking their entire trip online by making use of search engine websites, intermediate websites and social media sites. The customer wants to interact with the vendor, it wants to make its desires clear in a manner which is not time consuming and complex. Communication is essential here, listening and providing the right services online is the new strategy in order to reach potential customers.

Thus, it is recommended that Amsterdam Velo launches a dynamic 2.0 website which can be integrated with the social media sites Facebook, Twitter and LinkedIn. In addition, it should apply content strategy by putting up a blog, this will generate website visits, leads and eventually sales. Mutually, it should make use of search engine marketing, which will boost the traffic to the website. These online marketing activities will serve the potential customer by meeting its needs for interaction and simplicity. Meeting these needs will increase exposure, improve the visibility and personality, and raise the market share.

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# 1. Introduction

This online social media marketing plan is written for Amsterdam Velo, a young and innovative Dutch company, founded in 2011. The company is situated in the capital of the Netherlands, Amsterdam. Their core business is offering bicycle tours to mainly French speaking tourists (the owner is half French) in and around Amsterdam. The non-French tours are in Dutch and English. The bicycle tours are often guided by the owner Paul Spits, who has 5 years of experience in guiding tourists on a bicycle through Amsterdam.

Amsterdam Velo has been active for a year now and has gained the majority of their customers through online word of mouth advertising, on holiday review websites. This is positive, however it is not taking full advantage of the company’s potential. This is due to the incompetent online marketing strategy, which is outdated. Another fact that clearly indicates that Amsterdam Velo needs to implement a professional online marketing strategy as soon as possible in order to gain potential customers and make more profit is that in 2010, 11 million tourists visited the Netherlands and 80% of them used the internet as an important information source during the decision process (Plat, 2011). This rate will keep on increasing.

The aim of this report is to research in how exactly Amsterdam Velo should expand their target group by making use of online (social media) marketing tools.

The lay-out of the report contains an assortment of aspects, to commence with the company profile, continued with an internal and external analysis. The conclusion of those 2 analysis will be exposed in the following SWOT-analysis, confrontation matrix, Porter’s generic strategies and Ansoff matrix. Furthermore, to determine a professional and up to date strategy, an interview (see appendix 13.7) is conducted with Boudino de Jong, the CEO of the company ‘Profound Projects’, a company specialized in customized website and app development.

The two fundamental outcomes of the online marketing plan (internet and social media tools) are examined and a communication strategy is established. The main findings of the research, analysis and strategy are included in the conclusion. As last but certainly not least the recommendations and implementation chapters will follow.

## 1.1 Problem Definition

Amsterdam Velo is quite successful in its niche market of French speaking tourists. However the company lacks marketing creativity. Especially in these times of economic crisis it is necessary for a company to be creative and innovative in their ways of marketing. A huge part of the tourists are affected by online social media marketing, the majority makes their reservations online. Amsterdam Velo is not on the right path with their online marketing strategy, the company is not taking full advantage of the market opportunities due to underdeveloped online social media marketing. Thus, it is vital for Amsterdam Velo to develop a new strategy with regard to online marketing in order to expand their customer base. It has to take full advantage of the high internet penetration percentage in Europe which is as high as 71.5% (European Union, 2011). This could lead to reaching potential customers more easily, especially those from France, Belgium and Switzerland. Therefore the central question is:

**How can online social media marketing assist Amsterdam Velo in expanding its market share among the French speaking tourists?**

* What is the current market environment of Amsterdam Velo?
* What are the challenges for Amsterdam Velo in the tourism sector?
* What can be achieved with internet tools and social media marketing?
* Which customer groups should be targeted and with which social media tools?
* Which communication strategy should Amsterdam Velo implement?

# 2. Company Profile

## 2.1 Amsterdam Velo

Amsterdam Velo is a Dutch company which was founded in 2011 and is based in Amsterdam. The core and single business is that it provides bicycle tours to mainly French speaking tourists since day one, which makes Amsterdam Velo very active in that particular niche market. The non-French tours are in Dutch, English and once in a while in Italian. The bicycle tours are often guided by the owner Paul Spits, who has 5 years of experience in guiding tourist on the bicycle through Amsterdam. The four key tours are the ‘Tour City Centre’, ‘Tour in Polder Waterland’ and ‘Tour Marken or Zaanse Schans’. The customer database of Amsterdam Velo is first and foremost developed through personal contacts. More content regarding the activities can be found in paragraph 2.4.

## 2.2 Vision Amsterdam Velo

The vision of Amsterdam Velo is to make a bicycle tour through Amsterdam as special as the city. The values are therefore;

* Customer focused
* Promoting Ecotourism

## 2.3 Mission Statement

Amsterdam Velo wants to create superior customer value by being the leading bicycle, hiking and boat tour company for French speaking tourists visiting Amsterdam through providing customers with a citywide selection of differentiated and versatile tour experiences to meet their dynamic needs.

## 2.4 Market positioning

It is hard to analyze the precise market position of Amsterdam Velo at the time of writing this report. This is due to the fact that the company has been founded on 23 July 2011, but has been operational for six months because of the start of the tourist season. However one can conclude that the market positioning is relatively good for a new player on the market, considering the fact that Amsterdam Velo already has guided nearly 1000 tourists. Hence, the company is making sufficient profit to invest in marketing in order to increase its market share. Yet, it is challenging to divide the market positions of the bicycle tour companies. In order to give an idea of where Amsterdam Velo stands for the time being compared to the competitors, it is best to see how large the amount of bicycles is, that the different companies have. Thus, I will provide the amount of bicycles owned by the 4 largest bicycle rental companies Macbike, Yellowbike, Special Tours and Amsterbike in comparison with Amsterdam Velo below;

Macbike: 2.000 bicycles

Yellowbike: 200 bicycles

Amsterbike: 80 bicycles

Amsterdam Velo: 50 bicycles

MacBike has the largest market share in Amsterdam. It is followed by its competitor Yellowbike, and Amsterbike. The market is very fragmented because there also many general event planners who offer bicycle tours. The competitors analysis will provide more in depth information regarding this subject.

## 2.4.1 Services

Amsterdam Velo has one main service which can be sectioned into 5 categories:

* Bicycle tour (in French, English and Dutch) through the city centre of Amsterdam
* Bicycle tour (in French, English and Dutch) through the Polder Waterland
* Bicycle tour (in French, English and Dutch) through Marken
* Bicycle tour (in French, English and Dutch) through the Schaanse Zans
* Additional tours in different segments (boat, walking and museums) on request

The Amsterdam city tour has the highest profit followed by the Polder Waterland tour.

### 2.4.2 Tour City Centre

The tour through the city centre of Amsterdam is the foremost source of income for Amsterdam Velo and defined the relative success of the company. It takes 2.5 hours and it takes the customer along all the important monuments of the city.

### 2.4.3 Tour in Polder Waterland

The second most demanded tour of Amsterdam Velo guides the customer through an amazing countryside in the north of Amsterdam. It passes through typical Dutch villages like Durgerdam and Zundertdorp.

### 2.4.4 Tour Zaanse Schans

The least demanded tour is the tour to Marken or the Zaanse Schans, also known as the village of the windmills. The tour takes about 1.5 hours and takes the customer through beautiful landscapes of the Dutch Polders. Breakfast or lunch can be provided during the tour.

### 2.4.5 Tour Marken

The tour takes places in the north of Amsterdam and it takes the customer through small villages such as Durgerdam and Broek in Waterland. The tour proceeds by cycling to the fishing village Volendam. In addition a possibility to try traditional Dutch delicacies is provided.

Currently most tours are being given to French speaking tourists, this due to the fact that Amsterdam Velo is very much concentrated on French speaking tourists with their marketing strategy.

# 3. Business Definition

The business definition of Amsterdam Velo will be defined by using the business model of Abell,. The model looks at what technologies are used and how the company responds to the needs of the market and at what part of the market it anticipates (Abell, 1980).

To make it clear, I will give an overview of the three dimensions as defined by Abell:

1. Served customer groups is the “who”.
2. Served customer needs is the “what”.
3. Technologies utilized is the “how”.

## 3.1 Customer groups

The customer groups of Amsterdam Velo consists of mainly French speaking tourists. The other groups consist of English, German, Spanish and Portuguese speaking tourists.

## 3.2 Customer needs

Tourists will currently come to Amsterdam Velo for the following reasons:

* To receive a professional bicycle tour through Amsterdam and around
* To receive a bicycle tour in French, from a native speaker
* Because Amsterdam Velo is very flexible and is available to provide tours 7 days per week
* Because Amsterdam Velo has good references on French holiday review websites

Furthermore the customers are always interested for insider tips regarding restaurants and the nightlife. Amsterdam Velo is very experienced in advising regarding these matters due to the fact the owner is born and raised in Amsterdam.

## 3.3 Technology competencies

The manner Amsterdam Velo serves its customers is by offering 5 tours (explained in paragraph 2.4). Furthermore, the development of an advanced website, being active on social media can be tools to use to respond to needs of potential customers. In appendix 13.1 you will find the Abell Model tailored for Amsterdam Velo.

# 4. Aim and objectives

The objectives of Amsterdam Velo are compiled on the basis of the SMART method (Bogue, 2005), which stands for the words:

* Specific
* Measurable
* Acceptable
* Realistic
* Time bound

Main objective:

* Give 2000 tours in the year 2013 and expand market share by penetrating in the current French speaking niche market by making use of online (social media) marketing tools.

Sub objectives:

* Attract new customers and expand database
* Generate 100 recommendations on routard.com by the end of 2013
* Generate 1000 likes on Facebook by the end 2013
* Create an Amsterdam Velo group on LinkedIn and link at least with 10 companies which van be of added value for Amsterdam Velo (such as restaurants, boutiques, bars, brasseries)
* Have 1000 followers on Twitter by the end of 2013

# Internal Analysis

## 5.1 Resources – assets, intellectual property, and people

Amsterdam Velo is a young company with a young entrepreneur on top who has 5 years of experience in the Amsterdam tourism scene, especially in giving bicycle tours to French and English speaking tourists. That is why the company has a sufficient amount of intellectual property, the ‘know how’ of the market, and by this it is aware of how to respond to the market and what the opportunities are. Furthermore the company is very well aware the essence of customer friendly service. However the company lacks to take full advantage of the online digital marketing era the society is in (social media). The website is too simplified and time consuming for a potential customer who wants to make a fast booking. Above that, the website responds very slow when one wants to switch pages, even with good internet connection.

At the moment, Amsterdam Velo does not use any kind of Customer Relationship Management (CRM) system. CRM is a business strategy that takes the relationship with the customer as the starting point. Not the product or the process, but the customer is central to the business. The company improves its competitiveness by better responding to the needs of the customer. In order to response better it will have to gather and combine customer data. Not only his address, but also its sales history, the entire correspondence and browsing behavior on the website. The lack of these factors are the main reasons that the customer database is not at a professional level yet. It leads to the consequence that (potential) customers are not being called, e-mailed and informed on a regular base. That is a pity, because only a third of the French tourist visiting Amsterdam are first time visitors (Strijland, 2012). Amsterdam Velo has one office in Amsterdam, however the (potential) customers mainly contact the company by phone or e-mail.

## 5.2 Management

Amsterdam Velo is a sole proprietorship, thus the director and owner is Paul Spits. He is responsible for all the reservations and tours. He is the main and only contact.

## 5.3 Strengths & Weaknesses

Amsterdam Velo is a very young company and has only been around for one year now. In that year they have built the following strengths and weaknesses:

### 5.3.1 Strengths

* Native communication in French
* Customer orientated
* Flexible
* High knowledge of the Amsterdam tourist scene
* 5 years of experience

### 5.3.2 Weaknesses

* Underdeveloped website (no 2.0 website)
* No online marketing (not active on social media)
* Limited in staff

# External Analysis

6.1 Macro Analysis

### 6.1.1 Demographic factors

The incoming tourism in the Netherlands over the year 2011 indicates a growth of 4% in comparison with 2010. The number of tourists visiting the country increased to a total of 11.3 million, which was a new record. Furthermore, in 2011 there were considerable differences by country of origin. Tourists coming from outside Europe showed an increase of 9% (total of 2.284.000 tourists) in comparison with the year before, this increase was much higher than the increase of tourist coming from Europe, which was 3% (total of 9.016.000 tourists). The top 3 European countries, from where the Netherlands receives tourists are Belgium, Germany and United Kingdom. The number of Belgian tourists visiting the country increased with 7% (total of 1.345.000 tourists) and the number of German tourists visiting increased with 5% (total of 2.978.000 tourists). However, the number of British tourists visiting the Netherlands declined with 3% (total of 1.508.000 tourists). In addition, the fastest growing tourists groups were from Finland with +30% (total of 68.000 tourists), Russia with +21% (total of 139.000 tourists), Switzerland with +11% (total of 202.000 tourists) and Sweden with +10% (total of 125.000 tourists). In the contrary there were less tourists from Spain and Italy, this due to the economic problems in those countries (Toerisme in perspectief, 2012).

In order to canalize the movements in the demographic field particularly regarding Amsterdam Velo, the following countries needs to be reviewed:

* There is no increase in tourists visiting from France, the total amount for 2011 stays at a solid 666.000 tourists
* There is an increase of 7% in tourists visiting from Belgium, that adds up to 1.345.000 tourists
* There is an significant increase of 11% in tourists visiting from Switzerland, the total amount adds up to 202.000 tourists (Toerisme in perspectief, 2012)

These figures are positive for Amsterdam Velo. It means that the potential customers have increased in general.

Furthermore, another interesting fact is the growth of the number of intercontinental guests visiting the Netherlands. China was the largest with +24% (total of 154.000 tourists) and Brazil with +21% (total of 102.000 tourists). This can be interesting for Amsterdam Velo on the long term (Toerisme in perspectief, 2012).

### 6.1.2 Economic factors

The NBTC (Nederlands Bureau voor Toerisme & Congressen) expects an increase of more than 1% for the Netherlands in 2012 (Toerisme in perspectief, 2012). The number of foreign tourists will thus be around 11.5 million. Tourists coming from Germany and Belgium will be increasing because they will prefer to spend holiday in Europe in other to keep it affordable, especially with the current economic situation. In addition, there will also be an increase of tourists from other countries who were hit less hard because of the Euro crisis, such as the Scandinavian countries and Russia. Furthermore, in 2012, there will be also an increase in the tourists coming from intercontinental countries. Mainly due to the relatively weak euro, which makes it attractive for this group to visit Europe.

The NBTC also predicts positive news regarding the long term. Based on the analyzes and calculations it is expected that the inbound tourism will continue to grow in the coming years. The number of foreign guests visiting the Netherlands will annually increase with 2% to a total of 14.25 million tourists in 2020 (Destinatie Holland 2020, 2008).

### 6.1.3 Social FactorsAgeing population in Europe and demand for quality increases

The ageing of the European population is a fact. In 2020, 25% of the European population will be 65 years or older. Currently, it is around 15% (Parliamentary questions, 2011). Seniors fill their free time, which they have in abundance, with tourism and recreation. There is a large group of elderly people which have a substantial disposable income and thus is an interesting target for the tourism and leisure business. They spend more on luxury and relaxation. This is natural, because as people age, the desire for luxury and relaxation increases. They want authentic, special experiences. Perception is becoming increasingly paramount in the eyes of the consumer. It gives these consumers a different way of thinking. A trend that is involved here is edutainment. They would like to have learning experiences and journeys (Samen het verschil maken, 2011). In recent years the number of leisure activities in which the average citizen participates increased drastically. However the average time spent on a leisure activity, in the same time period declined. In reaction to this the expectations of time spent on leisure are higher. The tourist wants to spend the scarce time it has on a qualitative way. Therefore the demand for quality will be enhanced, the need for comfort and luxury will simultaneously increase as the need to simplicity, especially among the ‘older’ group. Furthermore, the need for small scale tourism and authenticity will increase. Thus, ageing and tourism go well together. The seniors are certainly an important target group for Amsterdam Velo.

###

Trends to healthier living are being promoted

The trend to healthier living is promoted through several media around the whole world. Due to the busy lifestyle many people are living, the space and time for healthy food is being neglected. This certain lifestyle has stimulated the obesity problem and other health problems. As reaction to these developments, living healthier is being also promoted in the tourism sector. The reaction to this is that cycling holidays are becoming more popular, (Samen het verschil maken, 2011) which is positive for Amsterdam Velo.

Divers use recreational area

The landscape is evolving into a recreational area that is the foundation of many interpretations by many recreationist who all have their own needs and desires. The main factors which influence the consumer during the decision process are; quality, variety, size and tailor made tours. These factors are becoming increasingly important.

Technological factors

Internet is developing rapidly as a medium, a form of recreation and as a social tool. The effect of it on the tourism business is growing, the developments in the IT and mobility will have the largest impact on tourism. The use of internet is continuously rising, as the penetration rate, especially in emerging economies such as Brazil, Russia, India and China. This results in that tourists seek information regarding the trip they will more often on internet. Several studies from different countries confirm that websites that provide information on tourism are the most consulted on the internet (Destinatie Holland 2020, 2008). Internet has greatly influenced the development of international travel. On the supply side for instance, the rapid emergence of low cost carriers would have been impossible without the presence of affordable online booking systems. The low cost carriers saved huge costs, thanks to the technological improvements. The advantages of technological development were not only on the supply side, on the demand side as well, for instance, organizing a trip and comparing many different prices from many different suppliers on a interactive manner has become very easy. The transparency increased and created positive competition in the tourism industry. This emphasized the importance of having an active role on both internet and social media websites in order to interact with the client. It is proven that is a very effective way to reach global customers and expand customer groups. Furthermore, social media is not only being used during holidays, but also after the holiday by posting reviews on holiday rating websites, uploading pictures on social media websites and posting messages regarding the service received. Approximately 50% of the tourism businesses are active on social media and other new media. These particular companies spent approximately 20% of their budget on online marketing(Plat, 2011). Also mobile applications are gaining more influence on international travel behavior. In 2012, more than the half of the world population have access to a mobile phone. It is becoming increasingly easier to communicate with the consumer before and during the travel (Destinatie Holland 2020, 2008).

### 6.1.4 Political factors

The low VAT rate

On 26 April the 5 political parties VVD, CDA, D66, Groenlinks and the ChristenUnie, have agreed to maintain the current low VAT rate of 6 per cent for the hospitality industry. The political parties recognize the importance of low VAT rate for the international competitiveness of the sector. The hospitality industry can in this way play a bigger role in the economic recovery process. However, it is not certain that the agreement will be executed, this due to the fact that there will be an election on 12 September 2012. The result of the elections could change the current situation totally, but this agreement is still an important notification from the political spectrum, it shows that they have empathy for the opinion of the tourism industry (De punten uit, 2012).

Weed card
The ‘wietpas’ will be introduced on 1 January 2013. Only Dutch citizens will have the right to buy hashish or marijuana in a coffee shop by using their special club card. The implementation of such an card will most certainly have its effects on the foreign tourists visiting Amsterdam. Because the city is visited by over 6 million tourists yearly. Nearly 22% of those tourists enter a coffee shop. Together, all the tourists spent approximately 5 billion annually. Thus, the so called ‘wietpas’ will most probably decrease the city’s income by a quarter, which will affect every business in the city (Bruining, 2012).

Attractiveness and tourism facilities in Amsterdam

Amsterdam is – internationally – not a big city and it lacks the allure of London or Paris. Yet it is an extremely popular destination because of the city’s typical Dutch cosiness and beautiful historic center that consists of the great canal houses and intimate squares. Furthermore the city is known for its relaxed, tolerant atmosphere and world famous museums. The main reasons for visiting Amsterdam are the following:

* The national museum (Rijksmuseum)
* Van Gogh museum
* Anne Frank House
* Boat tour
* Beguine court
* De Wallen – red light district
* Albert Cuyp Market
* Jordaan
* Nightlife in Amsterdam
* Amsterdam Historical Museum

In addition, Amsterdam offers facilities for every kind of tourist. The visitor can stay in a bed & breakfast, a low-budget youth hostel or in a luxury 5 star hotel and everything between those. With more than 41.000 beds and 350 hotels (Federova & Meijer, 2010) Amsterdam has something to offer to everyone.

## 6.2 Industry analysis

The current worldwide tourism business has increased with 4.6% in the year 2011 to 982 million international arrivals. The number of international arrival in Europe grew by 6%, in particular for the South- and East of Europe which grew both by 8%. International tourism in the Western Europe, which includes the Netherlands, grew by 3%. The main reasons for this increase was the strong growth from the BRIC countries and the shift of Arab destination markets to southern Europe destinations (Toerisme in perspectief, 2012). The International Tourism Organization UNWTO expects that the global tourism by the year 2030 will grow at an average rate of 3.3% per year. That is an increase of 43 million new tourists annually, which means that the rapidness of growth will decrease a bit. However, with this pace, the arrivals by 2030 will most probably reach 1.8 billion, which will mean that 5 million tourists will be travelling between countries for different reasons every day (Tourism towards 2030, 2011). Thirty million of the 43 million new tourists will be expected in the emerging markets in Asia, Latin America, Central and Eastern Europe, Eastern Mediterranean type Europe, Middle East and Africa. The traditional areas such as Europe, North America, Asia Pacific will welcome the 14 million additional tourists (Risi, 2011). See appendix 13.2 for the tourism market pie chart. In reflection to Amsterdam Velo, the outcome of the industry analysis shows a growing number of tourists in Europe, which, without any doubt, will positively affect the number of tourists visiting Amsterdam. The profitability of the tourism business in Amsterdam will increase due to the market growth.

### 6.2.1 Developments and trends

The first development is that people are travelling more and more due to lower prices of transport. In this way they can travel to different destinations in Europe, these city trips are a trend which follows the development. Another important development is that people are working more and thus have less free time. Lack of free time created the trend ‘quality time’, which means that people want to spend the scarce time with their loved ones on a qualitative way and do not mind to pay more that quality. The consumers are also increasingly aware of the environment, and would like to make a contribution by booking green seats and participating in eco-tourism activities. In addition, the influence of internet (social media) and smart phones on tourism are increasing in an enormous pace. Gathering information regarding all the aspects (accommodation, transport, restaurants) of a trip happens online through search engine websites, intermediate websites and social media.

### 6.2.2 Accommodation

For inbound tourism regarding the Netherlands, the hotel industry is by far the main accommodation form. Four out of 5 visitors stay in a hotel, of those 4 tourists stay in a three-, four, or five- star hotel. The remaining tourists stay in bungalows and on the campsite (Destinatie Holland 2020, 2008).

## 6.3 Porters analysis

The five forces model is a strategic model based on five forces that determine the attractiveness of a market (Porter, 1998). It analysis the competitive market, and it provides insight in the strength, position and power of the competitors. Based on the outcome of the analysis, the strategy of an organization can be aligned. The key factors will be marked on the diagram and the forces will be summarized on size and scale with the following signs.

- Force moderately against Amsterdam Velo

-- Force strongly against Amsterdam Velo

+ Force moderately in favor of Amsterdam Velo

++ Force strongly in favor of Amsterdam Velo

0 Force which is neutral for Amsterdam Velo

### 6.3.1 Threat of new entry

The money which has to be invested in order to start a bicycle tour company is relatively low. However, one will need to invest a huge amount of time. Above that, special knowledge regarding the famous and not so famous spots of Amsterdam is also required, the new entrant has to speak several languages in order to provide the tours, or the he or she will have to hire a guide for the tours, which will raise the costs. In addition, the new entrant will have to know the city very well, because Amsterdam Velo has 5 years of experience in giving specific tours in and around Amsterdam. However, the prospects of the tourism business could motivate potential new entrants to start a business like Amsterdam Velo, which is targeted on a niche customer group. Overall, the threat of new entrants is relatively low for the particular niche market Amsterdam Velo is active currently, however due to the low legal- and financial barriers to enter it is set to -.

### 6.3.2 Competitive rivalry

The current rivalry is present and the 3 main competitors have more bicycles in stock than Amsterdam Velo. The websites of the 3 competitors are more advanced and they are more active on social media websites. One of them (Yellowbike) also provides tours in French, however it is not specialized in it due to the many other languages it provides. Amsterdam Velo is specialized in providing bicycle tours for French speaking tourists, that is also the reason for the company name (velo means bicycle in French). Thus, the competitive rivalry will have to be divided in 2 segment; the first will be the general competitiveness of the rivals, which is strong due to the high stock of bicycles in comparison with Amsterdam Velo, and the possibility to book tours in different languages. However the niche market competitiveness is quite low, because Amsterdam Velo has already established itself on the French market. It is known for being a specialist for French tourists, the tours are provided by a Frenchman (which is not the case at the competitors) and exactly can adjust to the socio cultural needs of the French tourists. Taking these factors in account, the average threat of competitive rivalry will be set on -.

### 6.3.3 Supplier power

The power of the suppliers are low due to the fact that there are no suppliers. Amsterdam Velo reaches its customer personally and vice versa. Therefore the supplier power will be set on +.

### 6.3.4 Customer power

The bargaining power of the customer is fair because the customer can receive better pricing when booking a tour with a group. Furthermore, there are several bicycle tour providers in Amsterdam, however, the differences in price between competitors is so little that it is not worth mentioning it. Besides, Amsterdam Velo decreases the customer power by offering tailor made tours, also for groups, which adds an unique aspect to the service. Furthermore it is the only company which is specialized in tours for French speaking tourists and has the know how to offer those tourist the unique aspect. Another factor which is positive for Amsterdam Velo is that the range of customers is very broad and diverse, which means that the power of the customers is divided. Thus, the customer will be set on 0.

### 6.3.5 Threat of substitutionSubstitutions are boat tours, walking tours and museums. However, as said before, Amsterdam Velo is very flexible and are willing to meet the needs of the customer, which means that those tours can added to the bicycle tour. Thus, due to the flexibility of Amsterdam Velo, the threat of substitution will be set on 0. The porter’s five forces diagram can be found in appendix 13.3.

## 6.4 Competitor analysis

As it is stated before, there are 4 main competitors who provide the same kind of bicycle tours:

Macbike
Macbike has two thousand bicycles and has with that amount the largest stock of bicycles in the city. Its main business is renting out of bicycles, besides that it also provides tours in and around the city, and also bicycle repair- and storage facilities. The website is good organized and an important factor to mention regarding the tours is that they are only being giving in English and Dutch.

Compared to Amsterdam Velo their strengths are:

* Good maintained, organized website
* Up to date on the majority of the related searching websites on the market at the moment
* They have 7 bicycle renting locations in the city center of Amsterdam

Compared to Amsterdam Velo their weaknesses are:

* Not present on the French speaking market
* Only offers tours in English and Dutch
* Do not offers tailor made tours
* Changes in strategy will be very time- and money consuming
* Associated to mass tourism

Yellowbike
Yellowbike is also a large competitor who offers several kind of different tours, above that it also provides walking tours, cruises, and package deals for the customer. Its service range therefore is broad and diverse. Furthermore it also offers the several tours in 4 languages (German, French, Dutch and English). The website is advanced and well maintained. They are also active on the social media websites.

Compared to Amsterdam Velo their strengths are:

* Better website
* Better to find on the search engine websites
* More financial reserves and connections
* All inclusive (cruise, walking and bicycle) tours in their service range

Compared to Amsterdam Velo their weaknesses are:

* Changes in strategy is difficult
* Associated with mass tourism
* Crowded and traditional website
* Not specialized in tours for French speaking tourists

Amsterbike
Amsterbike is well known between the German tourists because it is mainly active on the German market. Their website is available in several languages due to the Google translation implementation. Furthermore, they also offer electronic scooters, with makes them the unique in that. Furthermore they are active on the most important social media websites.

Compared to Amsterdam Velo their strengths are:

* Better developed and organized website
* Easier to find on the search engine websites
* Are partners with museums and restaurants in the city
* Active on social media websites

Compared to Amsterdam Velo their weaknesses are:

* Not specialized in tours for French speaking tourists
* Too massive, not personal
* Not flexible duo to size of organization

Competitors matrix

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Macbike | Yellowbike | Amsterbike | Amsterdam Velo  |
| 2.0 website | ++ | ++ | ++ | -- |
| Active on social media  | ++ | ++ | ++ | -- |
| French ‘ touch’  | - | + | - | ++ |
| Flexible  | - | - | - | + |
| Total  | ++++ | +++++ | ++++ | +++ |

Conclusion
All the competitors have more bicycles, better websites, more active on social media websites and are easier to find on search engine websites. Furthermore the competitors have more connections in the city and offer a wider range of services. However, the companies are not personal and are associated with mass tourism. The strength of Amsterdam Velo is that they are specialized in giving tours to French speaking tourists, the company has the exact know how in how to attract and satisfy the French speaking customers by using its socio cultural awareness. It offers that special touch, which the current and future market demands.

## 6.5 Customer analysis

Who
The customers of Amsterdam Velo are mainly French speaking tourists. They live in France, Switzerland and Belgium. Nearly 5 million tourists of the 11 million tourists that visited the Netherlands in 2011 stayed in accommodations in Amsterdam, Rotterdam, The Hague and Utrecht, they are good for approximately 9.3 million overnight stays (Peeters, Eijgelaar, de Bruijn & Dirven, 2011). One can conclude, that these tourists staying in above mentioned cities are most definitely visiting Amsterdam and taking tours of any kind. It also means that 45% of the 11 million tourists visiting the Netherlands visit Amsterdam.

The total amount of French tourists visiting the Netherlands was 666.000 in 2011, 35% visited for the first time. Over 54% stayed in accommodations in the large cities (Amsterdam, Rotterdam, The Hague and Utrecht). Amsterdam welcomed nearly 300.000 of them. The average French tourist spends 2 nights in Amsterdam (Strijland, 2012). The internet penetration of the French tourist is 77.2%, this means that 50.3 million have access to internet (Internet and Facebook, 2012). The use of smartphones is becoming very popular, 18 million French people have a smartphone and the travel related searches rose to 34% in 2011 from 12% in 2010. Planning and booking a holiday online is becoming more and more common among the French people, 17.2 million Frenchmen made use of internet to plan a holiday. Nearly 13 million of them actually booked the trip wholly or partially online, which is equal to 42% of all the French tourists. Another important fact is that 72% consulted holiday review websites (such as routard.com) to book their websites. In addition, nearly 2 million used Internet via their smartphone to gain information regarding their holiday, however the number of booking made through this medium are still very small (17,2 millions de, 2012).

The total amount of Belgian tourists visiting the Netherlands in 2011 was 1.345.000. Approximately 540.000 (40%) of them stayed in the large cities (Amsterdam, Rotterdam, The Hague and Utrecht). Amsterdam welcomed nearly 300.000 of them. The average Belgian tourist spends 2,5 nights in Amsterdam (Straatman, 2012). The internet penetration of the Belgian tourist is 78%, this means that 8.1 million Belgians have access to internet (Internet and Facebook, 2012). The amount of Belgians using the internet as a medium to gain information regarding their holiday is 92%, **i**n addition 56% have booked their holiday online (Straatman 2012). Interesting is the fact that e-mail marketing is very successful in Belgium, 20% have responded to an offer received via e-mail.

The total amount of Swiss tourists visiting the Netherlands in 2011 was 200.000. Approximately 90.000 of them visited Amsterdam (Peeters, Eijgelaar, de Bruijn & Dirven, 2011). The internet penetration of the Swiss tourist is nearly 75%, this means that nearly 6 million Swiss have access to internet (Internet and Facebook, 2012). Nearly 2.5 million, which equals 32% of the Swiss population, use the internet as a booking channel and almost the same amount of people use it as a source of information during the planning of their holiday (Fischer, 2009).

What
The customers of Amsterdam Velo need detailed information, advice and proper service with regard to the bicycle tours in their native language. In addition the customer appreciates when the tour guide takes initiative and guides them to beyond the standard tour. More specified, adding a social cultural aspect and creating interaction between the guide and the customer is much appreciated.

Where
The French speaking customers live in France, Switzerland and Belgium. The English speaking tourist come from Great Britain and the United States.

When
Amsterdam Velo welcomes the most tourists to the city in the months April/May and July/August. The reason for this lies in the fact that the majority of the French tourists visit the Netherlands (the majority visits to Amsterdam) in those months (see appendix 13.4).

Why
Riding on a bicycle through Amsterdam while being guided by an experienced guide is the best, fastest, most affordable, sustainable (ecotourism) and fun way to do it.

## 6.6 Distribution analysis

The distribution pattern of Amsterdam Velo is simple and clear. The distribution process starts with interest from the tourist for the city of Amsterdam. The modern tourist orientates on the internet and usually knows beforehand that Amsterdam is a city where it is very common to travel around with the bicycle. Then the tourist makes the choice for Amsterdam Velo and contacts them through email. After the contact between sides the reservation will be confirmed. Once in Amsterdam, the employee of Amsterdam Velo will meet with the tourists at a beforehand agreed place and start the tour there. See the simplified version of this process here under.

# SWOT-analysis

A business should understand the strengths and weaknesses it has, and always be aware of the opportunities and threats that is facing, a SWOT analysis is a dynamic tool which assists a business to understand these aspects and develop a strategy to take advantage of it.

**Strengths**
- Native communication in French and socio cultural ‘feeling’ regarding French speaking tourists (niche market)
- Flexible small business
- 5 years’ experience

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**Weaknesses**
- Underdeveloped Online Marketing and Website
- Not (fully) present on all the searching websites
- Limited in staff

**Threats
-** Strong competitors
- Changing Drugs Policy in Holland
- Economic situation in EU

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**Opportunities**- Bookings via internet are increasing (social media marketing)
- Growth in tourists coming from the BRIC countries
- Ageing population

## 7.1 Confrontation matrix

|  |  |
| --- | --- |
| Confrontation matrixAmsterdam Velo  | EXTERN |
| Opportunities | Threats |
| Increasing role internet  | BRIC countires | Ageing  | Economic Situation EU | Strong Competitors | Changing Drugs Policy in Holland | + | - |
| TOTAL  |
| INTERN | Strengths | Socio cultural ‘feeling’ French speaking tourists  | ++ | ++ | ++ | - | ++ | 0 | 8 | 1 |
| Flexible  | ++ | ++ | ++ | + | + | + | 9 | 0 |
| 5 years of experience  | + | + | + | + | + | 0 | 5 | 0 |
| Weaknes. | Underdeveloped online marketing and website | -- | -- | - | 0 | - | - | 0 | 7 |
| Not (fully) present on all the searching websites |  -- |  -- |  -- | 0 | -- | 0 | 0 | 8 |
| Limited in staff |  - | - | - | 0 | - | 0 | 0 | 4 |
|  | + | TOTAL | 5 | 5 | 5 | 2 | 4 | 1 |  |
| - | 5 | 5 | 4 | 1 | 4 | 1 |

|  |  |
| --- | --- |
| -- | Very threatining |
| - | Threatining |
| 0 | Neutral |
| + | Promising |
| ++ | Very Promising  |

Conclusion
Especially the strengths ‘socio cultural ‘feeling’ regarding French speaking tourists, ‘flexible’ and ‘5 years of experience’ offer many opportunities in the niche market. Amsterdam Velo could take full advantage of those opportunities by making use of their strengths and more important turn their weaknesses in to strengths.

# Strategy

The external analysis made it obvious that Amsterdam Velo requires to compile a competitive advantage in order to cultivate in the niche market in which the company is operating. To determine and specify a certain strategy, Porter’s Generic Strategies will be used (Porter, 1998).

 **Porter’s Generic Strategies**

Cost Leadership

Differentiation

Broad

**Scope**

 Narrow

Differentiation Focus

Cost Focus

 Cost Differentiation

Amsterdam Velo has a narrow market scope. The most proper strategy to apply will be the ‘Focus Strategy’. Due to the fact it concentrates on companies that are active in particular niche markets, which applies to Amsterdam Velo. The strategy serves the company to better understand the kinetics of the niche market and the unique needs of the customer within it. Because of these factors, Amsterdam Velo will be able to build strong brand loyalty between their (potential) clientele. In addition, the specific niche market will become less attractive to competitors.

The following step in determining the strategy will be the choice between pursuing ‘Cost Focus’ or ‘Differentiation Focus’ strategies. It is advisable for Amsterdam Velo to make use of the differentiation strategy, because most probably, if Amsterdam Velo would choose the cost strategy it could provoke the competitors, and the competitors are better resourced broad market companies which can sustain lower prices much longer, and a company as Amsterdam Velo cannot compete in a price ‘warfare’ like that. That is why the differentiation strategy is the right strategy, Amsterdam Velo has profoundly knowledge and know how in serving French speaking customers in Amsterdam and around.

Nevertheless, by applying this strategy, the company must be aware of the fact that it has to actually differentiate itself from the competitors. It is crucial that the service or product offered is adding something extra or unique subsequently of being particularly active in that niche market. The focus therefore should be on the French speaking customers by providing the following advantages:

* Outstandingly apparent and active on social media in French
* Outstandingly apparent on internet, searching websites and advertisement in French
* A 2.0 website that makes it easy to book a reservation up to getting instance information in French
* Inside tips regarding Amsterdam, focused on the French culture trends
* High quality tours, which a very high focus on customer needs and demands
* Possibility to book tailor made tours and receive personal information

By providing the above mentioned advantages, the main customer group of Amsterdam Velo will request the assistance from the company. Furthermore, it will result in positive reviews and recommendations on holiday review websites which will raise the brand value of the company. These developments will make it clear that Amsterdam Velo truly is a specialist in providing tours for French speaking tourists, and this will automatically trigger the awareness among the potential customer and push them towards Amsterdam Velo.

The next essential strategic maneuver for Amsterdam Velo is to determine how it should grow in market potential. The matrix of Ansoff Product-Market Growth will be utilized. The method of Ansoff assists to discover new or existing products and markets (McDonald & Wilson, 2011). The method analyses 4 product/market combinations, which will be showed in the figure below.

 **Ansoff Matrix**

 Existing Products New Products

* Market penetration
(existing markets, existing products) Existing
 Markets
* Product development
(existing markets, new products)
* Market development
(new markets, existing products) New
 Markets
* Diversification
(new markets, new products)

Market
Penetration

Product
Development

Diversification

Market
Development

The most suitable marketing strategy for Amsterdam Velo is market penetration by expanding the market share among the French speaking tourists coming to Amsterdam. The company will have to operate with existing products in existing markets. The existing products and services are the several tours Amsterdam Velo already offers. The existing market are the French speaking countries, the existing market will have to be penetrated by making optimal use of the internet tools and social media in the French language.

To penetrate the market as efficient and effective possible, the following actions should be taken:

* Make better use of internet tools and social media
* Implement superior promotion campaigns, utilize internet and social media to channel the campaigns
* Contact the consulates and travel agencies of the French speaking countries (France, Switzerland, Belgium, Morocco and Algeria) and request to place promotion material in their offices (physically through leaflets and digitally via a link on the website of the particular consulate)

## 8.1 Internet market tools

Amsterdam Velo needs to make use of several internet market tools (software, website, social media) in order to enhance market penetration and carry out the differentiation strategy. Using internet market tools will enable the company to target the potential customer effectively. The medium internet has become the communication tool of today, every customer group consults it in order to take decisions regarding a range of products and services. As stated previously, 80% of the 11 million tourist that have visited the Netherlands in 2010, made use of internet as a source of information and in addition 50% consulted a holiday rating website in order to determine accommodation or destination (Plat, 2011). There are several options for Amsterdam Velo to take advantage of the increasing internet penetration in the world, firstly it has to determine the often visited websites by their current and potential clients and subsequently be visible on those particular websites. The company website needs to be easily found by the search websites and the tags to the website should make sense. These factors go hand in hand with developing an up to date 2.0 website.

# Online social media marketing strategy & marketing mix

The development of web 2.0 had and still has a big role in the tourism business, as mentioned in the external analysis. It is increasingly and greatly influencing the tourist during its decision process, it facilitates customized offers through advertisements and consumers are becoming more powerful through blogs and social networks (Inci, 2010).

The internet penetration is also rising in every country, in France for instance where the most (potential) customers of Amsterdam Velo are living, the amount of internet users in the year 2000 was 8.5 million, and according to the latest data the amount has risen to approximately 50 million users (see appendix 13.5).

These developments clearly show the importance of having a 2.0 website in the tourism industry, it provides the company an unique platform in which it can market its product and services in an authentic and sincere manner and by that create brand value and be cost efficient. Thus, plenty of reasons for Amsterdam Velo to compile a strategy which will take the company to a higher level in the not so distant future.

## 9.1 Marketing Mix

The marketing mix gives an insight and describes which choices the organization has or have to make in order to bring the product or service to the market.

Target Market

French speaking tourists (France, Belgium and Switzerland)

Product / Service

The customers want that the service is provided by an experienced native French speaking guide who can guide them through the cultural highlights of Amsterdam and can give them inside tips regarding French restaurants/brasseries and other. Quality and professionalism in providing this service is a must.

The service provider has the features; native French speaker, 5 years of experience and the socio cultural touch to meet the needs.

The customer will make use of the service mainly while riding on the bicycle and sometimes when visiting a cafe or restaurant in Amsterdam and around.

The service will be perceived as a quality tour in their own native language, with the emphasis on the art and culture of Amsterdam and surroundings. There will also be a focus on the gastronomy of the Netherlands.

The name of the tours are simply associated with where the tours take place. For example the Amsterdam City tour takes place in the city of Amsterdam.

The service is branded by emphasizing on the fact that it saturates the cultural and tourist curiosity of the customer on a fun manner, which is called edutainment, it solves the language barrier, it serves ecotourism and it can be conducted in groups (families).

The service differentiates itself from the competitors by providing it in the native language of the customer and by adding the socio cultural touch. The tourist feels secure and saturated while he is exploring new surroundings.

Place

* The customers use internet, holiday review websites and social media to look for the service.
* The distribution channel is short, it is direct from the vendor to the customer.
* There is no need for a physical sales force, the customer is online and active on social media. Thus Amsterdam Velo needs to be there too.
* Competitors are online and active on social media on a very professional manner. The online marketing tools are being used very well. Amsterdam Velo can learn from this.

Price

* The value of the service for the tourist, is expressed lies in non-financial features. The need for culture and art (in their language) on a qualitative, environment friendly and fun manner are paramount. They are willing to pay more than the general market price.
* There are established price points for the service. The tours are also being given by other companies.
* The French speaking customer is not price sensitive (if the price difference with the competitors are not absurd) it is willing to pay more for quality.
* Groups larger than 10 persons receive a 10% discount.
* Compared with the competitors, the prices are higher but the USP, the French touch, compensates that price difference.

Promotion

* Amsterdam Velo can get its marketing messages to the target market through the website and social media.
* It will reach its audience through Internet and social media.
* There is no best time to promote. There is no seasonality in the market. It can be promoted continuously and evenly.
* The competitors use online marketing tools, which make them easier approachable on the Internet.

## 9.2 Internet strategy and positioning

The possibilities and tools in marketing and advertising your company website are very broad. A selection can be made between the following tools:

* Search engine marketing and search engine optimization
* Mobile marketing
* Social media (Linkedin, Blog, Youtube, Twitter and Facebook)
* E-mail marketing
* Micro site
* Content strategy
* Viral Marketing
* Web advertising

The selection was made after the interview with Boudino de Jong (de Jong, 2012) (see appendix 13.7). Mr. de Jong emphasized that the most important tools for marketing tourism products or services are the search engine marketing tool in order to reach the target group, the content strategy website tool to raise the trust and personality of Amsterdam Velo, the web advertising tool to reach potential customers and social media to keep in touch with the target group.

## 9.3 Search engine marketing

A tool which can increase visibility is search engine marketing. The tool improves the visibility of a website by researching the keywords on which your company is being found, it targets niche keywords, focuses on the end user and assist you in making your website search engine friendly. Amsterdam Velo needs to make use of search engine marketing (SEM) because according to mr. de Jong it is essential in making an online marketing strategy a success (de Jong, 2012)**.** It will assist Amsterdam Velo to reach the customer group it wants. SEM is used to achieve competitive advantage and enhanced visibility, due to high amount of businesses on the internet, it is obvious that you need to be very visible and easy to be found on the major search engines as Google, Yahoo and Bing. There are 2 sorts of marketing, the first one is the unpaid sort, which is named search engine optimization (SEO), the second one is the search engine advertising (SEA) which varies in costs.

### 9.3.1 Search engine optimization (SEO)

Amsterdam Velo is found more easily in the French speaking countries, the ranking on Google is good, they are on the first page when you type “tour a velo Amsterdam” which means bicycle tour in Amsterdam. The main reason for this lies in the fact that the company name is very simple and self-evident. French tourist type the word “velo” which means bicycle and Amsterdam, those 2 words combined makes up Amsterdam Velo. Furthermore, the Amsterdam Velo website is being visited by 300 unique visitors each month, to compare the biggest competitor Macbike has nearly 35.000 unique visitors monthly (Macbike.nl). Thus, the positive side is that Amsterdam Velo is doing good in its niche market, however it can do much better and attract new customer (market penetration) more easily by effective search engine optimization.

### 9.3.2. Intermediate websites

The intermediate websites can assist a company to be better found on Google and at the same time raise the visibility. They provide platforms where the customer can compare different suppliers of the same product or service. Examples of intermediate websites in the tourism business are:

* Tripadvisor.com (world’s largest travel community with over 65 million visitors every month)
* Routard.com (most popular backpacker’s guide of France, 2 million followers every month)

These websites offer platforms such as review space for the tourist who has already been to a particular destination. It posts its experience with a certain company and destination, and advises other potential tourist on base of their personal experience. Amsterdam Velo is present on both of the above mentioned websites. It has good comments of tourist who received a bicycle tour from Amsterdam Velo. If the company delivers a good product or service and adds a personal touch, these intermediate websites can be of an enormous value because of free advertisement. Another important factor is that these websites are very well known and therefore reach a much larger target group. They also appear higher in Google ranking. Thus, Amsterdam Velo could request the customers, after the tour, to leave a positive comment on one of the intermediate websites.

### 9.3.3 Content strategy (marketing)

Amsterdam Velo could apply content strategy marketing because the consequences of it are positive for improving revenues.

The positive consequences of content marketing are:

* Generating visits, leads and sales
* Strengthening the trade brand
* Showing expertise and know how
* Generating feedback

The content strategy describes how organizations can achieve their goals with content development. Amsterdam Velo could form content on their website with the communication tools (social media sites) by answering the following questions and rules:

* What is the objective of the content (visits, brand recognition, expert role, feedback)?
* What will be topic of the message?
* What kind of publication (whitepaper, e-book, info graphic)?
* When to publish the content ( public holidays, events)?
* Develop the content yourself (to respond as an expert to questions)
* Where to launch the content (which social media sites and websites)?
* What is the feedback?

## 9.4 Website of Amsterdam Velo

The website of Amsterdam Velo is outdated and old fashioned. It communicates in one-way with the customer by providing information regarding the tours and prices. There are no possibilities for interaction. The customer usually e-mails requesting more specific information, the website name is www.amsterdam-velo.com. Boudino de Jong (CEO Profound Projects) analyzed the website and came quickly to the conclusion that the company needs to implement a 2.0 website. Although the website is well ordered and clear, there is no chance to interact and there is no manner to directly make a reservation. Sending e-mails in order to make a simple reservation is considered time consuming. The website could provide information regarding upcoming events in Amsterdam and offer the possibility to book tickets through Amsterdam Velo perhaps, more pictures of the destinations, reviews of previous customers on the website with links to the intermediate websites (client review section), Google maps indicator, links to the social media websites, a blog section with articles about Amsterdam and the bicycle tours or other fun stuff such as pictures and an automatic translator. These changes are essential in having a 2.0 website. And it also could add the application “Really Simple Syndication (RSS)” in order to keep the customers up to date regarding the most recent changes on about the company.

## 9.5 Search engine advertising

Selling with Google AdWords is very popular and an efficient web advertising method to achieve the company’s marketing goals. It displays the company website when the potential customer searches on terms which are connected to the company. It charges the company per click, but only when the advertisement is showed, the system is called pay-per-click (PPC) and it gives the company the chance to be present when a potential customer uses an often used term. The website of Amsterdam Velo is found much easier through search results in French, thus it can increase its market share on the French speaking market with less effort. Using long-tail words is another way of efficient web advertising. This specific tool lets your website be found on very specific terms, the potential customer using these terms is already very good aware of what it wants and needs.

## 9.6 Social media marketing

Social media is a collective term for online platforms where users with little or no intervention of a professional editor can post content. Examples of these platforms include blogs, forums and social networks. Furthermore it is characterized by the keywords ‘interactive’, ‘transparency’, ‘integration’, ‘exchange’ and ‘dialogue’ (Tommasi 2011). Below, an impression of the social media landscape.



## ****9.7 Why social media?****

The presence of social media, globally, is gigantic. If one would compare Facebook with a country, it would be the third largest country in the world after China and India, with its 995 million users. There are plenty of reasons that a company should be active on social media sites, the most important ones are that 62% of the adults worldwide are making use of social media and 22% of them spent time on channels such as Facebook and Twitter, making it the most popular online activity. This means that the worldwide potential customers are to be found on social media sites Other relevant statistics that emphasizes the importance of social media marketing in the contemporary business to consumer landscape can be found below (Pring, 2012).

* 7 of the 10 most important companies are active on social media
* 6 of the 10 small business are active on social media
* 9 of the 10 marketers are using social media for business purposes
* 5 of the 10 marketers have witnessed sales improvement because of social media
* 9 of the 10 marketers noticed better website traffic due to social media campaigns
* 5 of the 10 customers make use of the product or service that they like or follow

**Furthermore, the range of the buyer and supplier has increased tremendously with the advent of web 2.0. The image below reflect that perfectly.**



**In summary, the 10 essential reasons for business to use social media are as following:**

1. **Increasing brand awareness – using social media can increase the online presence of your business. Through the reach of your brand or product awareness consumers will recognize them more frequently, which can result in sales.**
2. **Online reputation management – with the advent of web 2.0, monitoring your brand has become very easy for companies. By monitoring social media the company can quickly respond to the reactions of (potential) customers and follow up on negative comments. It is also advisable to monitor competitors and learn from them (also from their mistakes).**
3. **Stagnation means decline – marketing has tremendously changed with the arrival of social media. Internet is subject to constant change and it is important for a company to follow these changes in order to stay in touch with its (potential) customers. Social media is here to stay and has out growth the label hype. Thus, if a company wants to remain innovative corporate presence on social media is a plus.**
4. **Influencing purchase behavior – the social media network of a consumer has a significant impact on the buying behavior. Consumers who follow particular brands on social media, buy more products of them and advises them in their own network.**
5. **Be viewed as an expert – the company profile is an excellent opportunity for consumers to be qualified as an expert. Through the profile, you can keep customers informed about the latest news regarding your company and industry. When relevant news is shared on a regular basis, the consumer will perceive the customer as an expert.**
6. **Generate website traffic and achieve higher search engine raking – it is good to post messages with a link to the company website. Search engines very much value websites with many links (to social media sites for example). Furthermore, by posting messages on a regular base on for example Twitter, Facebook or LinkedIn, the company can generate more traffic to the company website. The 4 main factors that have to appear in an advertisement are: use the page or brand name in the title, use a clear call to action (such as ‘visit us’, ‘like us’, ‘go to’), emphasize benefits to click and use attractive visuals that reinforce the text.**
7. **Niche marketing - with the advent of social media, niche marketing has become much easier. The targeting options can be set on interests, location, age (and birthday), work, marital status, education, language and on fans of certain pages.**
8. **Interaction – by starting a conversation with your (potential) customers through social media, the company covers the interaction need of the customers.**
9. **Creating customer loyalty – visibility, exposure and showing that you are here for the (potential customer) creates customer loyalty**
10. **Input product/service development – the company obtains the wishes of the potential customer by monitoring the social media channels. This input can perfectly be used for developing and improving the current products and/or services. It also offers the company a chance to be innovative.**

### ****9.7.1 Popular Social Media sites in France, Belgium and Switzerland****

More than the half of the French population, 37 million, makes use of social media networks. Facebook is the most popular social media network with nearly 35 million unique visitors on a monthly base (Social networking and, 2012).

In Belgium, also more than the half of the population, which is 5 million, is using social media sites. Also here, Facebook is the market leader with 4.7 million users (Peeters, 2012).

In Switzerland, nearly 75% is active on social media sites, and also here Facebook leads the market with 2.7 million users (Baten, 2011). In all the 3 countries, the social media sites Twitter, LinkedIn and the use of Blogs are in the top 10 of most used social media networks.

## ****9.8**** Explanation of the social media sites to use

Amsterdam Velo should make use of the social media sites Facebook, LinkedIn, Twitter, Google+ and Blogging. They will be briefly explained in the following paragraphs.

### 9.8.1 Facebook

Facebook is the social media site with the most users worldwide, this means that the most (potential) customers are making use of it. Furthermore the social media site is very well known among all age groups, Google Search shows the company Facebook page, the interaction factor (2-way communication), the company can upload pictures easily and manage photo albums because pictures attract customers, the page is easy manageable. And niche marketing can be conducted easily as well due to the targeting options.

The best practices to use Facebook are:

* Name the page or brand name in the title of a post
* Use a clear call to action
* Emphasize on the benefits to click
* Make use of attractive visual which reinforce the text

### 9.8.2 LinkedIn

LinkedIn offers companies the possibility of creating a ‘Company Page’. The users of LinkedIn can follow the company by clicking on the ‘Follow’ button. By following the company they will receive all updates of the company. They can respond or share the updates with others A second method is to get in touch with followers and others is by launching a group around a relevant topic. Within the group, discussions can take place and other participants can ask questions. A group can focus on specific products or services of the company, but also on issues which the company considers important. On the Company Page, a company can include the following publication:

* Introduction of the company
* Overview of products and recommendations
* News about the company
* List of employees and their profiles
* Jobs

LinkedIn is ideal for business to business networking. Amsterdam Velo could use this platform for generating partnerships with other companies (a restaurant or museum in Amsterdam for instance) by connecting to them. This can be an added value for the service and products.

### 9.8.3 Twitter

On Twitter, users can send short messages to their followers (and actually to the whole world), let them know what occupies them and what they find interesting. Users can also respond to messages from others. The messages can be up to 140 characters. A message can contain only text, but also links to pages on the web, photos and videos. A Twitter account is normally kept by people and businesses.

On some social networks a specific jargon is used. This is especially true for Twitter. An overview of the key terms that apply to Twitter can be found here below.

* Tweeten – writing messages on Twitter
* Tweet – a message
* Direct message – a direct (not public) message to another Twitter. Also known as ‘DM’
* Follower – someone who follow your account
* Following – collection of accounts that follow you
* Hashtag – a hashtag (#) may be added subject to a tweet
* Retweet –a duplication of a tweet by someone else. Also known as ‘RT’
* Mention – your account is mentioned in a tweet
* Timeline – overview of tweets from accounts that you follow
* Trending topic – a topic which is very much tweeting
* Tweep – an indication for a user of Twitter
* Twitter client – a program that can be used to manage an account
* Tweetup – gathering of Twitters users

The prestigious Carnegie Mellon University conducted a research (Spice, 2012) on successful and unsuccessful tweets. Based on that study, 9 tips were given in order to increase chances of views and retweets. Although the tips focused on the tweets from individuals, the tips also apply for business tweets.

* Do not publish old news
* Contribute to a (developing) story
* Keep it short and avoid useless words
* Avoid excessive use of hashtags or mentions
* Do not tweet about subjects where know little of
* Give context, not just a link but also an explanation
* Avoid negative tweets
* Challenge the followers
* Avoid mixing business and business

Finally, recommendations of Twitter self will follow. On business.twitter.com one can find the following best practices that apply to companies that business twitter:

* Share – share photos and unique information about your business, give insight into new developments
* Listen – make sure that the account is managed continuously
* Ask questions – ask questions to followers and engage them with the company
* Answer – always give fast and correct answers
* Reward – give followers a reward, such as discount on products and services
* Show knowledge – link to valuable (own) publications and relevant messages
* Retweet – pay attention to followers and retweet relevant messages
* Use the right voice – how do you want to appear as a business?

By applying these recommendations from Twitter, Amsterdam Velo can attract customers.

### 9.8.4 Google+

Google+ is growing rapidly, it will most probably reach 400 million users by the end of 2012 (Thornhill, 2011). The unique advantage of Google+ compared to the other networks is that it is increasingly integrated with the Google search engine. Content on Google+ can therefore be found significantly faster than content on other networks. Three elements are central to Google+.

* Messages
* Hangouts
* Circles

Messages
Companies can also post updates with pictures and videos with the option to target followers to launch a discussion. Companies can choose to keep updates private or public. Updates can also be targeted towards specific audiences.

Hangouts
Hangouts are designed for video conversations with customers and colleagues to achieve. This allows companies to generate feedback, solve customer problems, and cooperate in order to achieve improvements. Hangouts are web based, thus no special software needs to be installed. Hangouts can be used for:

* Meetings
* Sessions where questions from customers are being answered
* Launch of products
* Consultation between employees

Circles
Circles are designed to organize friends/customers easier. Each person or organization be placed in one or more circles. These circles can be based on interests, locations, customer size or other factors. By working with circles, communication with your contacts becomes much more focused.

### 9.8.5 Blogging

Blogging is very attractive for businesses due to the fact the company can publish a fun, interesting, and relevant article. It is a very good tool to attract new customers by showing your expertise and giving inside tips, followed by a picture of an employee of the company. Interaction is another positive side of blogging, readers can comment on it and ask questions about certain matters.

### 9.8.6 Actions

The actions that will have to take to start the social media marketing process are as follow:

* Create a Facebook page for Amsterdam Velo
* Create LinkedIn company profile
* Create a Twitter account for Amsterdam Velo
* Create a own blog and invite customers to share their experiences
* Create a page on the website which provides links to the several social media platforms on which Amsterdam Velo is active

### 9.8.7 Conclusion regarding the use of social media

Taking the several online marketing tools in account and the time one would have to spend in managing those accounts, a good designed communication strategy is needed. The main objective of the social media marketing activities is to promote the products and services of Amsterdam Velo, momentarily this is being done through the website and e-mail. The focus must stay on these tools, and reinforced by the social media tools mentioned above. As said, keeping the several social media accounts up to date could be time consuming, to decrease it as much as possible, the intermediate tool Hootsuite should be used. Hootsuite allows you to post one message on all the social media sites with one click, it is available on the iPhone through an app and you can plan the posting of messages perfectly.

# 10. Conclusion

After contemplating the outcomes of this report, a conclusion will be given by providing an answer to the central- and sub questions.

**How can online (social media) marketing assist Amsterdam Velo in expanding its market share among the French speaking tourists?**

* What is the current market environment of Amsterdam Velo?

The current market environment of Amsterdam Velo is promising and challenging. Promising due to the profit the company already is generating with its limited budget and underdeveloped social media marketing while approximately 80% of the 11 million tourists visiting the Netherlands uses the internet as a source of information to decide regarding accommodation and destination. It is also promising that the owner Paul Spits is very well recommended among the French customers. The company could achieve a much higher turnover by implementing a good designed social media marketing plan, and by doing so live up to its potential. The current market is also challenging because Amsterdam Velo is in a niche market which includes serving French speaking customers. They can expand the current customer group by penetrating the market professionally. On the long term, they could add new customer groups by profiling themselves on the current markets of the BRIC countries. After all, there is a very strong increase in tourists, as analyzed in this report, coming from those countries.

* What are the challenges for Amsterdam Velo in the tourism sector?

The manner of how tourists are booking holidays has been subject to enormous changes with the advent of internet and social media sites. The challenge for Amsterdam Velo is to expand the customer groups and attract more potential customers from the French speaking countries by implementing a high end social media marketing plan (web 2.0, Twitter, Blog, LinkedIn and Facebook). Another challenge, however for the long term, when the French speaking market is penetrated very successfully, is creating the same services that exist for the French speaking tourists to the tourists from the BRIC countries. In this manner every business unit will be perceived as a niche unit focused on a particular customer group.

* What can be achieved with internet tools and social media marketing?

Social media can contribute to important business objectives:

* Increase brand awareness
* More visits, leads and sales
* Higher customer satisfaction
* Better designed products and services

Increasing traffic to the website and being visible on intermediate websites (which influences the decision of the potential customer highly) will most definitely attract more customers. These actions will present Amsterdam Velo as a modern and up to date company who is proactive in promoting their services and products. The tourists want to spend their vacation on an excellent way, thus they investigate the possibilities and different suppliers critically. By being active on social media with a web 2.0 website and presenting the company as an expert in the specific field (also by providing information), that particular tourist can be your customer.

* Which customer groups should be targeted and with which social media tools?

The most well-known and effective tools to use are SEO and SEA, these tools increase visibility on the search engines and generate traffic to the 2.0 website. Furthermore, to maintain customer relations, inform them, and expand, the company needs to make us of Facebook, LinkedIn, Google+, Twitter and Blogging. These tools are user friendly, easy to implement on the website, gives a personality to the company, and also attract lots of traffic to the website.

The target market of Amsterdam Velo are the French speaking tourists. By applying the strategy of market penetration it can expand the market share significantly. In addition it could consider, however on the long term and after achieved total satisfaction in the niche market it is active now, to apply market development strategy in order to gain customers from the upcoming BRIC countries.

* Which communication strategy should Amsterdam Velo implement?

Amsterdam Velo will have to apply the Focus Strategy, because it has a narrow market scope and it is active in a niche market. It will achieve high brand loyalty and competitive advantage by doing so.

The next step is applying the differentiation strategy, in order to increase the quality of its services and prevent a competition based on price with its competitors. It can do this by using the strong points (native French speaker and years of experience with French speaking tourists) and add that extra and unique aspect to the service.

Another marketing strategy to apply is market penetration. This should be done by using the online social media tools. Exposure and interaction are the key words here.

# 11. Recommendations

Amsterdam Velo needs to apply the differentiation focus- and market penetration strategy. These strategies must be applied through online (social media) marketing and by promoting the strong points of the organization. Which are:

* Native communication in French and having the socio cultural feeling regarding French speaking tourists
* Flexible due to small business
* 5 years of experience

The organization needs to market (online) that it provides native French tours with a touch of the French culture. And that the organization is very flexible and can adjust to personal wishes. It also should market that it has the expertise and know how due to 5 years of experience in the sector.

In the contrary it needs to turn the organizations weak point in to strong points. The weak points are:

* Undeveloped online marketing and website
* Not (fully) present on all the searching websites
* Limited in staff

How to turn these weak points in to strong points are explained in the upcoming paragraphs.

In addition it needs to take advantage of the opportunities which are:

* Bookings via internet are increasing rapidly (social media marketing)
* Ageing population
* Demand for quality increases
* Ecotourism

How to take advantage from these opportunities are explained in the following paragraphs.

The threats need to be analyzed and the organization need to anticipate on it. The strong competition can be over won by applying the differentiation focus strategy. It will allow Amsterdam Velo to expand its niche market share significantly. The changing drugs policy threat is vague at the moment. The organization will need to wait till after the new elections. Because it does not have the financial luxury to compile a strategy for it at the moment.

## 11.1 Use internet tools

The internet is the main source of information for the contemporary (and future) tourist. Thus, Amsterdam Velo needs to be highly visible on it. They can achieve a high visibility level by making use of search engine marketing (SEO), which helps you to reach the targeted customer group. Furthermore they will have to develop a content strategy (as described in chapter 9.2.3.), which will enhance the trust and personality of the company. Web advertising is also a very important feature, because knowing that you have the expertise and great service is one thing, letting know the potential customers that you have those attributes is another thing. Thus it will have to make use of a 2.0 website and the social media tools Facebook, LinkedIn, Twitter and Blog to reach the target group.

## 11.2 Use unique attributes social media

Amsterdam Velo needs to make use of the advantages of the unique attributes of social media marketing, which mainly are:

* Far-reached interaction
* Better targeting
* Better expressions

## 11.3 Interact with (potential) customers

Amsterdam Velo needs to get in touch (interact) with (potential) customers through social media. By interacting the chance that the customer will respond to business campaigns will increase. Interaction is usually the basis for a stronger customer relationship and provides valuable insights.

## 11.4 Target

By conducting social media marketing campaigns it is essential that Amsterdam Velo targets the customer group that it wants to reach. It should target on the following points:

* Interest
* Location
* Age
* Work
* Marital status
* Education

## 11.5 Set experience central, not product or service

Set the experience central not the product or service. Amsterdam Velo needs to, wherever possible use the unique features of social media marketing. Because good targeting is feasible and campaigns need to respond to the interests and needs of the potential customer by targeting. This strategy also fits in with social networks, where people regularly do communicate about their interests. An expression that praises a product or service will most probably score worse than an expression that describes what need the product provides. For example:

“Tour around Amsterdam in 2 hours with French guide” would score worse than

“Cycle and admire the history of Amsterdam, the Dam, the canals, the Jordaan, the house of Anne Frank and the Vondelpark with a professional guide who speaks your language”

The message is simple: set the experience central and not the product or service.

## 11.6 Be consistent with the target group

The better the message/advertisement matches the target audience, the greater the chance that the message/advertisement is shared. Certainly on networks such as Facebook, where commitment is rewarded with a lower CPC (cost per click) and a better position of the message or advertisement. Thus, it pays to define sub target groups and to approach them each with an unique message. This increases the chances of success considerably. People simple prefer to share a message from which they are sure of it will be successful within their own group than a generic message.

## 11.7 Be consistent with communicating

Become part of the communication to understand the conversations of the potential customers and to post a message that adds value at the right time. So no longer hard and push sales, but helping the potential customers. By listening to the customer Amsterdam Velo will understand which aspects are important for him or her. The customer will not perceive you as an advertiser but as an organization that understands the challenges and offers solutions.

## 11.8 Optimization of social profiles to search engines

Profiles on social networks have to be promoted on own publications. It can be done through the own website, and in e-main communication. Other ways are to mention on the stationery, quotations, gift cards, posters and in voice response systems.

## 11.9 Choose appropriate names for accounts

To improve the information retrieval of social media, the following rules must be observed:

* Choose and appropriate name for the account
* Care for an attractive url
* Take keywords in the description of the profile
* Use relevant keywords in updates
* If possible include internal urls in updates
* Leave no textual blocks unused
* Avoid using only visuals

## 11.10 Link between accounts

Due to the fact that Amsterdam Velo will have to manage several social networks, it is advisable that to link those several social networks. For instance, they should refer to their Facebook profile on the background of their Twitter account. Amsterdam Velo needs to make as many of these links to help people quickly find their social media accounts.

## 11.11 Create unique content

There cannot be an excess of SEO, the first priority needs to remain the provision of attractive and unique content. Sharing items that people love to read and are willing to share with others. In addition Amsterdam Velo needs to examine how each piece of content can be improved in order to score better in search engines (keywords, trends and up to date information).

## 11.12 Provide options to share information on own website

Make every piece of relevant content on the website eligible for sharing by placing sharing ‘buttons’ near to it (next, beneath or above the content). Relevant content could be an article, product or service description, an answer on the frequently asked questions page or an visual. There are several services that can be used to measure how often certain content is shared. The best known is addthis.com, the site will be enriched with a whole range of sharing options by implementing it through a small script on the page. By taking this action Amsterdam Velo will be able obtain detailed statistics about the sharing behavior of the visitors.

## 11.13 Where to place the like button

Besides offering buttons to share content, it is also advisable to place the like button on strategic locations. A like button could apply to the whole website but also to parts of it. By placing the like button on positive locations the chance that the customer will actually like it will increase. Locations to place the like button could be:

* The confirmation button after a booking
* A page with a coupon code
* A press release with positive news (e.g. supporting a good cause)
* An e-mail from Amsterdam Velo

## 11.14 All social media profiles on one page

Due to the continues growth of social media, Amsterdam will have to anticipate by being present on various social media sites. It is therefore sometimes difficult and messy to mention all profiles in the footer of every page. Thus, Amsterdam Velo should develop a special page where all profiles are given in a clear overview.

## 11.15 Trends (demand for quality, ageing and ecotourism)

Amsterdam Velo should firstly target the ageing population in the French speaking countries by contacting for instance senior social clubs such as retirement- and elderly homes and other organizations like that. It should consider offering those organizations special packages for an attractive price and explicitly mention this on the website. It should also emphasize on the importance of ecotourism and combine this with the pure and innocent quality it offers. It can also take advantage by adding qualitative aspects to the service, this could raise the cost price, but the customer would not mind when it is worth it

## 11.16 Add personality to the website

The company website does not have a personality. As seen below, the webpage lacks an about us page, a mission and vision page, a photo corner page (of destinations and tours), a page about the staff with a personal touch and there is no page regarding the work ethics and frequently asked questions. Also it should provide information regarding upcoming events in Amsterdam and links to intermediate websites, Google maps indicator and links to social media websites. An These pages need to be added together with the RSS feed. By adding a RSS feed the customer will be tied to the company which creates loyalty from both sides. Furthermore an automatic reservation program needs to be installed on the website. The customer can directly and easily (without e-mail traffic) make a reservation in this manner. These factors will enhance the professionalism of Amsterdam Velo and by building a website recommended by Boudino de Jong, the company will be better found on Google and intermediate websites. This strategy will give the company a personality and increase the brand value.



## 11.17 Implementation

Amsterdam Velo is a sole proprietorship who once in a while hires free-lance guides to assist during tours with a high amount of customers. The implementation, integration and keeping up to date of the social media tools can be time consuming, time which Amsterdam Velo does not have momentarily. Thus, it is crucial to develop a cost effective business solution.

Hootsuite is the answer for many small businesses who want to have an active role on social media but do not have the time for it. Hootsuite is efficient, thanks to the dashboard you only have to update one social media tool and then click on which other social media the same update should appear. It means that by one action you will cover all the tools. Hootsuite is a web based program, it opens in the browser which means that there is no need to install any software. It also means that you will have the same interface everywhere and on every device. Hootsuite is not only time- and cost effective, one can also consult the analytics feature to evaluate if the company’s social media approach is working. See appendix 13.6 for the communication model of Amsterdam Velo.

### 11.17.1 Action plan

The following plan of action (for the upcoming 6 months) should be implemented by Amsterdam Velo:

* Create the social media tools mentioned in the report and link them together
* Update the company website by adding the social media buttons
* Update the customers regarding the social media sites
* Follow all recommendations in the report

|  |  |
| --- | --- |
| October | * Implement 2.0 website
* Mention social media channels in e-mail communication
* Publish an relevant interesting article on the website and blog
* Update all new customer regarding the website and request a positive comment on it and also request a recommendation on the holiday review website
* Post on all social media tools through Hootsuite
 |
| November | * Update the blog with a new article
* Answer questions asked through social media
* Keep posting relevant information regards topics such as tourism in Amsterdam, tourism in general, cycling in Amsterdam etc. (through Hootsuite on all social media tools)
* Evaluate end of November (use Hootsuite and formulated aims)
 |
| December | * Update the blog with a new article
* Answer questions asked through social media
* Keep positing relevant information (through Hootsuite on all social media websites)
* Organize a social media campaign on Facebook, for example a quiz with questions regarding Amsterdam. The winner will receive a bicycle tour up to 5 persons
* Evaluate end of December (aims and objectives)
 |
| January | * Update the blog with a new article
* Answer questions asked through social media
* Keep posting relevant information (through Hootsuite on all social media websites)
* Upload pictures of the tours and tag the customers (ask permission beforehand). Request positive comments on the photo’s
* Create a Twitter campaign
* Evaluate end of January (aims and objectives)
 |
| February | * Update the blog with a new article
* Answer questions asked through social media
* Keep positing relevant information (through Hootsuite on all social media tools)
* Organize a Twitter campaign (picture contest for example)
 |
| March | * Update blog
* Answer questions asked through social media
* Keep posting relevant information (through Hootsuite on all social media tools)
* Evaluate end of March (aims and objectives)
 |

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# 13. Appendices

## 13.1 Abell Model Amsterdam Velo

13.2 Tourism market pie chart



13.3: Porter’s Five Forces

Starting a bicycle touring company in Amsterdam

**Threat of New Entry**: **Competitve Rivalry**:
- Not too expensive to enter the - Three big competitors
 industry - Low switching costs
- Experience a must - High customer loyalty
- Very time consuming - Costs leaving market low
- No technology protection - More bicycles
- Low barriers to enter - Better online marketing

**Supplier Power**: **Customer Power**:
- No suppliers - Bargaining power fair
- Service not unique - Price differences very low
- Able to substitute - Tailor made tours
 - Not price sensitive

**Threat of Substitutions**:
- Boat tours
- Walking tours
- Museums
- Able to be flexible
- Willing to adjust to needs customer

**-** Force moderately against Amsterdam Velo

**--**  Force strongly against Amsterdam Velo

**+** Force moderately in favor of Amsterdam Velo

**++** Force strongly in favor of Amsterdam Velo

**0** Force which is neutral for Amsterdam Velo

## 13.4 French visitors per month in 2010 (in the Netherlands)

|  |  |
| --- | --- |
| January | 36.000 |
| February | 47.000 |
| March | 53.000 |
| April | 90.000 |
| May | 64.000 |
| June | 50.000 |
| July | 66.000 |
| August | 71.000 |
| September | 45.000 |
| October | 54.000 |
| November | 50.000 |
| December | 44.000 |

(Strijland, 2012)

## 13.5 The highest number of internet users

|  |  |
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| **TOP 20 COUNTRIES WITH HIGHEST NUMBER OF INTERNET USERS** |

 |
| **#** | **Country or Region** | **Population,2011 Est** | **Internet UsersYear 2000** | **Internet UsersLatest Data** | **Penetration(% Population)** | **World% Users** |
| **1** | [**China**](http://www.internetworldstats.com/asia.htm#cn) | **1,336,718,015** | 22,500,000 | 513,100,000 | 38.4 % | 22.5 % |
| **2** | [**United States**](http://www.internetworldstats.com/america.htm#us) | **313,232,044** | 95,354,000 | 245,203,319 | 78.3 % | 10.8 % |
| **3** | [**India**](http://www.internetworldstats.com/asia.htm#in) | **1,189,172,906** | 5,000,000 | 121,000,000 | 10.2 % | 5.3 % |
| **4** | [**Japan**](http://www.internetworldstats.com/asia.htm#jp) | **126,475,664** | 47,080,000 | 101,228,736 | 80.0 % | 4.4 % |
| **5** | [**Brazil**](http://www.internetworldstats.com/south.htm#br) | **194,037,075** | 5,000,000 | 81,798,000 | 42.2 % | 3.6 % |
| **6** | [**Germany**](http://www.internetworldstats.com/europa.htm#de) | **81,471,834** | 24,000,000 | 67,364,898 | 82.7 % | 3.0 % |
| **7** | [**Russia**](http://www.internetworldstats.com/europa2.htm#ru) | **138,739,892** | 3,100,000 | 61,472,011 | 44.3 % | 2.7 % |
| **8** | [**Indonesia**](http://www.internetworldstats.com/asia.htm#id) | **245,613,043** | 2,000,000 | 55,000,000 | 22.4 % | 2.4 % |
| **9** | [**United Kingdom**](http://www.internetworldstats.com/europa.htm#uk) | **62,698,362** | 15,400,000 | 52,731,209 | 84.1 % | 2.3 % |
| **10** | [**France**](http://www.internetworldstats.com/europa.htm#fr) | **65,102,719** | 8,500,000 | 50,290,226 | 77.2 % | 2.2 % |
| **11** | [**Nigeria**](http://www.internetworldstats.com/africa.htm#ng) | **170,123,740** | 200,000 | 45,039,711 | 26.5 % | 2.0 % |
| **12** | [**Mexico**](http://www.internetworldstats.com/central.htm#mx) | **115,017,631** | 2,712,400 | 42,000,000 | 36.5 % | 1.8 % |
| **13** | [**Korea**](http://www.internetworldstats.com/asia.htm#kr) | **48,754,657** | 19,040,000 | 40,329,660 | 82.7 % | 1.8 % |
| **14** | [**Iran**](http://www.internetworldstats.com/middle.htm#ir) | **77,891,220** | 250,000 | 36,500,000 | 46.9 % | 1.6 % |
| **15** | [**Turkey**](http://www.internetworldstats.com/europa2.htm#tr) | **78,785,548** | 2,000,000 | 36,455,000 | 46.3 % | 1.6 % |
| **16** | [**Italy**](http://www.internetworldstats.com/europa.htm#it) | **61,016,804** | 13,200,000 | 35,800,000 | 58.7 % | 1.6 % |
| **17** | [**Philippines**](http://www.internetworldstats.com/asia.htm#ph) | **101,833,938** | 2,000,000 | 33,600,000 | 33.0 % | 1.5 % |
| **18** | [**Vietnam**](http://www.internetworldstats.com/asia.htm#vn) | **90,549,390** | 200,000 | 30,858,742 | 34.1 % | 1.4 % |
| **19** | [**Spain**](http://www.internetworldstats.com/europa.htm#es) | **46,754,784** | 5,387,800 | 30,654,678 | 65.6 % | 1.3 % |
| **20** | [**Pakistan**](http://www.internetworldstats.com/asia.htm#pk) | **187,342,721** | 133,900 | 29,128,970 | 15.5 % | 1.3 % |
| **TOP 20 Countries** | **4,731,331,987** | 273,058,100 | 1,709,555,160 | 36.1 % | **75.0 %** |
| **Rest of the World** | **2,235,794,808** | **87,927,392** | **570,154,469** | **25.5 %** | **25.0 %** |
| **Total World - Users** | **6,967,126,795** | 360,985,492 | 2,279,709,629 | 32.7 % | **100.0 %** |
| NOTES: (1) World Internet User Statistics were updated for March 31, 2012. (2) Additional data for individual countries and regions may be found by clicking each country name. (3) The most recent user information comes from data published by[Nielsen Online](http://www.nielsen.com/), [International Telecommunications Union](http://www.itu.int/), Official country reports, and other trustworthy research sources. (6) Data from this site may be cited, giving due credit and establishing an active link back to [Internet World Stats](http://www.internetworldstats.com/). Copyright © 2012, Miniwatts Marketing Group. All rights reserved. |

## 13.6 Communication model

Traffic on the social networks leads to extra traffic on website

Traffic leads to the social networks

## 13.7 Interview with Boudino de Jong

Transcription of interview with Mr. Boudino de Jong, founder and CEO of Profound Projects, a company which is specialized in web development, smartphone apps, SEO solutions and corporate branding. Mr. de Jong has experience in building website for tourism businesses.

Interviewer: Tarik Alaca

Interviewee: Boudino de Jong

Interview setting: Interview conducted in office of Boudino de Jong in Groningen.

Affiliation with interviewee: Boudino de Jong is a web designer and social media marketeer.

Start of interview.

**Tarik Alaca: Why is social media marketing so important for a company?**

**Boudino de Jong:** In less than 5 years our use of social media has dramatically changed. We spend more time on social networks than on ‘normal’ internet. There are more queries processed through Facebook than through Google. When we travel, we first look on holiday review websites and then make a decision. Social media is definitley no longer a hype. Almost everyone is daily exposed to 1 or more social networks or make use of the many social tools and apps. More and more people us social media to express themselves and communicate with others. Both for business and leisure. Not only the young people are on it, but also old people. In answer to your question, the potential customer is on it, so Amsterdam Velo has to be as well.

**Tarik Alaca: What is the importance of SEM and SEO?**

**Boudino de Jong**: SEM and SEO is used to achieve competitive advantage by being found by search engines such as Google, Yahoo and Bing. It can be valuable for a company because it will assist it with appearing on the first page of a search engine website when a search is done with words that are linked to the services or products the company offers. By appearing on the first page, the chance that the customer will click on your link and eventually become your customer increases very much. That is why SEM and SEO are important, visible on the search engine websites is essential, esspecially for the tourism businesses, because nowadays the majority of the tourists book their trips online.

**Tarik Alaca: How should Amsterdam Velo make use of SEO?**

**Boudino de Jong**: Firstly, I think that Amsterdam Velo is very lucky with their website name, because it is self explaining and it is directly associated with the service the company offers. You could say the website name consists of long tail keywords. That is also the reason that the website is being good found in the niche market it is active in. However I believe it is not living it up to its potential, because it is not yet the number 1. The key manner for Amsterdam Velo to make use of SEO is adding more content on the website, without content the search engine website can never know what your website is about. The content can be specified to the customer group it wants to attract. It can write an article about a topic that is hot in that particular area and relate it to its services and Amsterdam for example. It could be done in a blog with links on the website. This would be very valuable because it will use specific keywords for the SEO of the company.

**Tarik Alaca: What are the key features a tourism business should have on its website?**

**Boudino de Jong**: Firstly, I think that the website of Amsterdam Velo is very outdated. It lacks of almost everything what a modern and professional tourism business needs to have on its website. There is no possibility for the customer to interact, but most important, one cannot book a tour directly. This amazed me the most. It must be very time consuming, to e-mail back and forward for making a simple reservation. Another point which disappointed me is that I could not find a calendar with fun events in Amsterdam, I mean I would like to know what else would be fun in Amsterdam and if you offer it as well. Other than that, no links to intermediate websites, makes me think as if they are hiding something, no links to social media website and no pictures of tours. By implementing these features, the company will profile itself as an profesional company who knows what it is doing on the market. And the automatic reservation option will make the life of Paul Spits much easier, he would not have much more time left for doing more important stuff for his company.

**Tarik Alaca: Why should Amsterdam Velo develop a web 2.0 website?**

**Boudino de Jong**: By implementing a 2.0 website the company and the previous mentioned features the company will increase the chance to achieve higher brand awareness, receive more visitors to the website, which could result in sales. It will achieve a higher customer satisfaction because it will be able to receive feedback on a very simple manner. This will result in better product development.