

Marketing Trends of Industrial Tourism

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For many years, companies have been trying to maintain lasting relationships with their customers. This is mainly due to the influence of companies' marketing policies, which have undergone a profound change. Firms have switched from transactional marketing—the aim of which is to do business—to relationship marketing, which takes into consideration the customer as a real person. Firms now understand that in order to do business, customers must be well treated. Customer satisfaction is, therefore, very important, which is why managers are now opening their companies to customers. But what do corporate managers really want to achieve by opening their firms to clients? and moreover, what do clients really want when they come to visit firms? The aim of this paper is to answer these questions by defining industrial tourism, questioning managers about their goals and determining customers' expectations. To do this, the results of a quantitative study of managers' aims consisting of semi-directive interviews were compared with the results of a study indicating the desires of clients. The results may be helpful to managers who wish to benefit more from opening their firms to clients.

Keywords: industrial tourism, managers' needs, clients' expectations, qualitative study, quantitative study

Introduction

Every year, five thousand French businesses agree to share their know-how¹. But why do corporate managers provide tours of their firms? Do they really benefit from this? Do they do it out of basic desire for their company and their know how to be discovered? Or do firm directors conversely view the company tour as a more instrumental, mercenary way of becoming more widely known and increasing company turnover? One of the previous studies aimed to answer these questions. The results showed that the majority of company directors provided company tours with a view to increase their number of business transactions.

The aim of this study is to compare the expectations of company directors with those of the general public in order to determine whether these two coincide or not.

The literature, research articles, and works dealing with the subject of the company tour are quite scarce. Nevertheless, the motivation of the study presented here is to define first of all the different concepts, according to some authors and also the context of what can be understood by "company tour". Secondly, using a qualitative study, the case of six companies from the Poitou-Charentes region is to be examined and more specifically those in the Charente-Maritime area in order to understand how and why company directors use the "company tour" tool. This qualitative study is completed with a quantitative phase which allows the practices

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¹ Bertrand, L., Minister for Tourism, acts of the first European symposium on the company tour, Angers, 7th, 8th, and 9th March 2006.

of entrepreneurs to be quantified.

Evidence gathered by the Canadian Standards Association (CSA) and observations of the public's expectations² are analyzed in order to highlight the similarities and differences between the company directors' expectations and those of the visiting public.

Theoretical Setting of the Research

Defining where this research lies theoretically comes back to clarifying what is meant by the concept of industrial tourism.

According to Gouault, Held, and Ficquelmont (de) (1992)³ "tourisme de la découverte économique" (in English "economic tourism") is the most general and practical term used to refer to the different types of tourism to do with businesses and the economic world in general. However, it is possible for it to be considered as a generic term, so it is necessary to explain the different concepts that lie behind the term more clearly.

Thus, it is useful to distinguish from five (a non-exhaustive figure) kinds of business tourism.

Since the general term puts the emphasis on "economic", it is interesting to define what exactly is meant by the notion *economic tourism*. It is a very broad term that can be understood to cover the group of activities that lead the public to visit a collection of places of interest in diverse sectors, whether they are primary, secondary, or tertiary.

Other designations that are used alongside the term but independently of it are *scientific, technical, and industrial tourism*. Included in these are company tours in all sectors but the agricultural sector.

The aim of *technical tourism* is the visiting of companies with an economic role and therefore excludes the visiting of museums.

Industrial tourism, the main term used to refer to the economic discovery of the French industrial heritage, today seems too simplistic as the industrial sector is the only sector included in the name.

Business tourism, despite the name, only refers to the different kinds of *incentive* trips offered to company personnel and can be accompanied by company tours.

Finally, the term *company tour*, at the same time both specific and more general in its field of application, can be understood as "any kind of physical opening to the public of a place of economic role in its working conditions or conditions that facilitate the imparting of know-how⁴". It is on the basis of this term, therefore, our study will develop.

Before all empirical studies, company visits represent incontrovertible diverse issues that cannot be ignored.

Quite obviously, by providing a tour of their company, those in charge can hope to realize a purely commercial operation in the short term.

So during the Guinness Storehouse tour⁵, 54% of the visitors left after having spent an average of 34 Euros, despite the fact that the visit is pay-in. For companies in the Nord Pas de Calais region, the official report is almost identical, with 50% of visits ending with a sale⁶.

² The French, the Spanish, the image of companies and company open days, survey by the CSA institute n 0801038B, September 2008.

³ Gouault, Held, and Ficquelmont (de), the visitor, company tour guide, Dunod, 1992.

⁴ As cited by Gouault, Held, and Ficquelmont (de) (1992).

⁵ Staunton, The company tour in Ireland, acts of the first European symposium on the company tour, Angers, 7th, 8th, and 9th March 2006 (p. 21).

⁶ Bertrand, Symposium opening, acts of the first European symposium on the company tour, Angers, 7th, 8th, and 9th March 2006 (p. 19).

Equally, directors of firms see the company tour as an opportunity to bring about more long term sales⁷. However, this is not the only issue arising from such an approach.

Here companies also can find other advantages. If one observes the literature, many axes researched by the company tour “establishment” diverge. As de la Croix⁸ points out, thanks to this system if companies communicate with the wide public, they communicate equally at the same time with professionals and state body officials. They can also, according to De Groote⁹, establish a link with their neighbourhood, improve their image, and even create a synergy between tourism and economy. For Preuilh¹⁰, if the case of improving company image and reputation exists, he underlines that the establishment of relationships with business partners is essential. Like Staunton¹¹, moreover he recalls that the company tour should be a recruitment tool.

But what is it about the company tour? Why do firms tend so frequently to provide one? What, at the end of the day are the profound reasons for such an act? Do companies gain financially from this endeavour?

It is these questions that we have tried to answer, first of all by carrying out a qualitative study on six companies from Charente-Maritime; and secondly by conducting a quantitative study on 15 companies from the same department.

Methodology and Results of the Research

In order to observe the expectations of the company directors, the methodological basis of the research consisted of conducting a qualitative study on some companies. For obvious reasons of convenience, companies from the Charente-Maritime department were chosen.

They were selected according to a guide¹² that listed the companies of Charente-Maritime.

More specifically, the companies which were studied are situated around an attractive town of 25,000 inhabitants. They were six in number and came from various sectors: the restaurant and food professions, agribusiness and regional produce; wines, pineau, cognac, beer; the seafood trade, fish farming; the art industry; the wood and furniture trade; the environment, horticulture; industry, production; the building trade and quarries.

The same methodology was used for each of the companies. Semi-directive interviews were conducted with the help of an interview guide that was unavailable to the interviewees. This guide focussed on themes that were geared towards understanding what the company tour could bring to businesses.

The interviews were recorded and their contents assessed manually in order to analyze what was said by the interviewees. The goal of this work was to achieve a better understanding of the tour guide phenomenon and to investigate its principal aim.

A quantitative study was then conducted. A questionnaire was made according to a study carried out by

⁷Preuilh, the company tour in France, acts of the first European symposium on the company tour, Angers, 7th, 8th, and 9th March 2006 (p. 19).

⁸ Croix (de la), the company tour: strategic communication tool, acts of the first European symposium on the company tour, Angers, 7th, 8th, and 9th March 2006 (p. 18).

⁹ De Groote, the company tour in Belgium, acts of the first European symposium on the company tour, Angers, 7th, 8th, and 9th March 2006.

¹⁰ Preuilh, the company tour in France, acts of the first European symposium on the company tour, Angers, 7th, 8th, and 9th March 2006 (p. 19).

¹¹ Staunton, The company tour in Ireland, acts of the first European symposium on the company tour, Angers, 7th, 8th, and 9th March 2006 (p. 21).

¹²Guide edited by the Limousin Poitou-Charentes Regional Chamber of Commerce and Industry and the Poitou-Charentes Regional Guild Chamber.

the assembly of the French Chambers of Commerce and Industry and the Head Office of tourism in November 2005. The qualitative study previously conducted was also taken into account.

The 15 companies were interviewed by telephone. They were classed in diverse categories according to the classification of the Charente-Maritime Chamber of Commerce and Industry. The different categories were similar to those employed in the qualitative study.

Only companies with a commercial role were studied. Places like the National Haras, treatment plants, and quarries no longer being excavated, therefore were not part of our concern.

To determine the visiting public's expectations, the findings of a CSA survey were analyzed. The survey was carried out on 953 people who are all 18 years old, and are selected according to the quota method (sex, age, and profession of breadwinner) after layering by region and category of municipality.

With regard to business leaders' expectations, six companies were selected during the qualitative phase. They were selected at random from the various study sectors.

The selected sample for the quantitative phase was made up of 15 companies from various sectors. The details of the sample were as follows (see Table 1):

Table 1

The Chosen Sample

Sector	No. Citizens	Frequency
Restauration, food industry, regional products	2	13.30%
Wine, pineau, beer	3	20.00%
Marine business, aquaculture	3	20.00%
Art	3	20.00%
Wood Industry, furniture trade	1	6.70%
Environment, horticulture	0	0.00%
Industry, Production	2	13.30%
Construction, quarries	1	6.70%

The sample study contained no environmental or horticultural companies, as these companies had no commercial characteristics.

With regard to the public's expectations, 953 people were interviewed.

For memory, the makeup of the study sample was as follows: 953 people ranging from 18 years old and over, selected according to the quota method (sex, age, and bread-winner's profession) after layering by region and category of municipality.

The initial qualitative phase allowed us to see that the business leaders wished to showcase their firms purely for pleasure, pride, to improve image, and to raise turnover or simply aid in the recruitment of potential employees.

The quantitative phase allowed to put together a panorama of best practices (see Figure 1).

The first flagrant result is that the main goal for company leaders to communicate.

Thus, communication was cited as an *objective* 23 times (12 to communicate to clients and 11 to non-clients). Showcasing know-how is the second most popular motive for business leaders.

Astonishingly, increasing company turnover does not seem to be a major reason for firm directors, even if 80% of the studied companies possess a sales *place* that remains open after the visit, where 50% of the visitors made purchases.

The second result worthy of interest is that which concerns the number of visitors compared with the number of buyers (see Table 2).

It shows that 26.7% of firms estimate that greater than 60% of visitors buy the following tour.

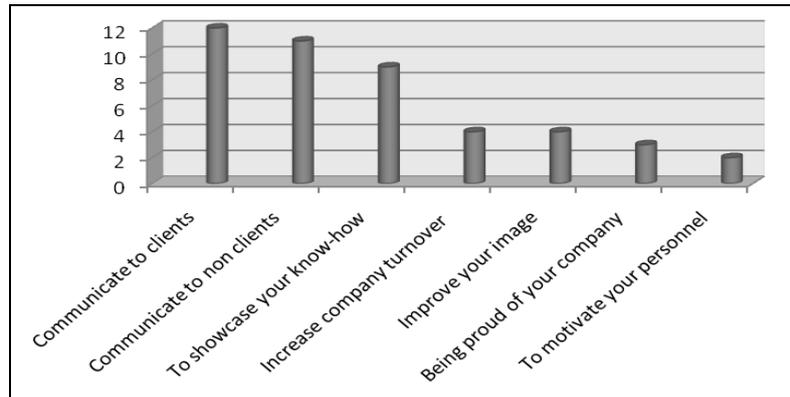


Figure 1. Structural Company tour advantages.

Table 2

Percentage No. of Buyers/No. of Visitors

Percentage No. of buyers/No. of visitors	No. Citizens	Frequency
No reply	3	20.00%
Less than 10	3	20.00%
Between 10 and 20	1	6.70%
Between 20 and 30	0	0.00%
Between 30 and 40	2	13.30%
Between 40 and 50	0	0.00%
Between 50 and 60	2	13.30%
60 or more	4	26.70%

These two main results are derived from the so called “raw data” sorting. They highlight the aspirations of company directors when it comes to opening their firms to the public as well as how important the company tour is for immediate sales made at the base of the firm.

It is nevertheless a bit more interesting to move forward in our investigation by noting the results obtained and by observing if the companies which claim to want to have a place of sale and if the companies which have a good rate of visit-to-sale transformation can be copied and present common characteristics.

These two lines of enquiry raise a few points.

The first issue is that the companies whose goal is to communicate do not actually have a place of sale available to the clients after the tour; therefore, these companies do not necessarily want to make short term sales.

The second point is that companies that make sales after the tour have a sale area, and that the rate of visit-to-sale transformation of companies without such an area is 10% less than those who do.

If we observe the companies with a high transformation rate, it is evident that they possess common characteristics.

Firstly, a good transformation rate depends on the sector in which the company develops.

The companies from the drinks and art industry are the ones where visitors buy the most products when

they visit. This seems logical in view of the cost and the impulse buying that occurs in the product sold.

However, if the tour structure seems to have been geared towards generating post-tour sales, it appears that an initial company presentation causes the number of sales to drop.

Expectations of the Public

The response to the question “Have you visited a company in the last 12 months?” shows that the French visit companies little (see Figure 2).

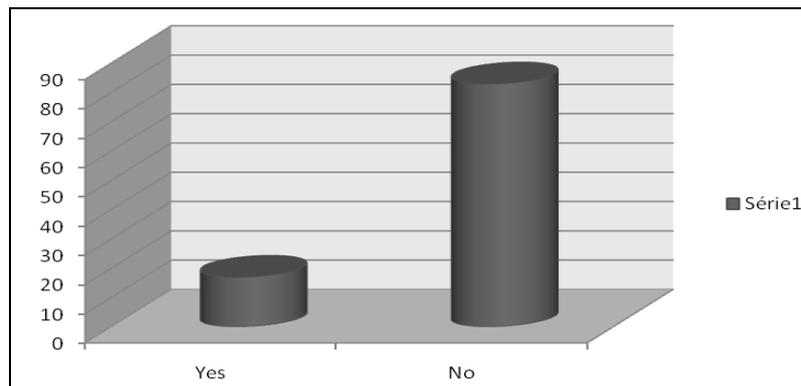


Figure 2. Companies visits.

People aged between 30 and 49 are the ones who visit companies the most, with the over 49 age group who are visiting less (see Figure 3).

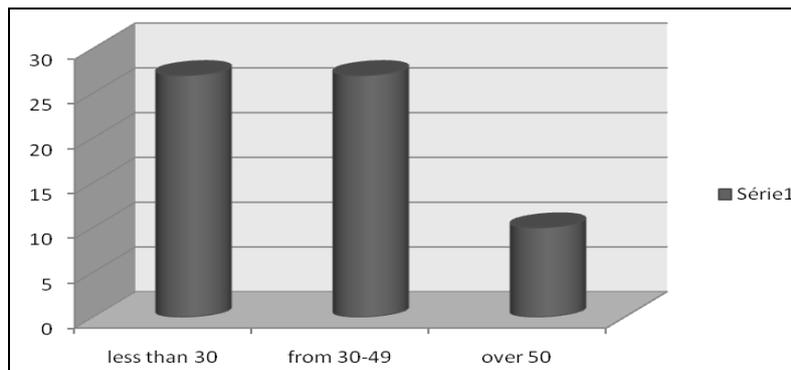


Figure 3. Companies visits per age.

French people as a group think that the company tour is a very good initiative.

Moreover, 62% of the people interviewed would prefer to visit particularly companies which produced goods or services based on new technology.

The reasons that people take a company tour are (in order beginning at the most common): to discover know-how and find out about technology (56%); to understand how those employed in sectors different to their own work (also 56%); to discover innovative companies (35%); to visit local commercial premises that form part of the French heritage (26%); to help to orientate themselves professionally or hand in a CV (17%); to buy products (11%); to establish business relationships (9%); no precise reason (3%); 4% of people interviewed do not specify.

Comparison of the Expectations of Company Directors With That of the Visitors

In order to be able to compare as well as possible the expectations of company directors and visitors, the author have organized the figures obtained as percentages and eliminated the responses that did not aid in the understanding of the phenomena (see Figures 4 and 5).

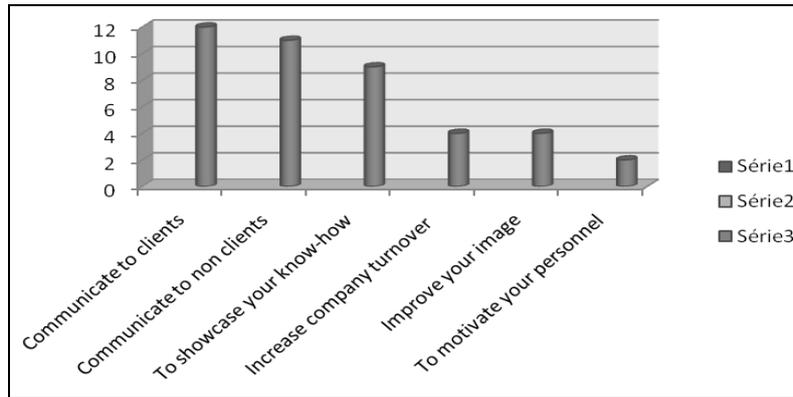


Figure 4. Expectation of company directors.

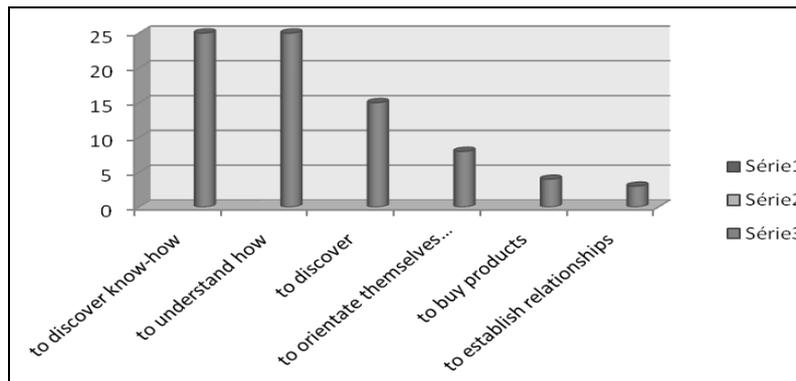


Figure 5. Expectation of the visitors.

From these observations, many issues and points of concurrence emerge. If the main goal of company directors was mostly to communicate with their clients and *to showcase their know-how*, clearly, the desire of clients is to discover the companies’ know-how. This is the main similarity between the entrepreneurs and the visitors.

Another point of concurrence, not the point of the highest importance and not negligible either is the fact of company directors wanting to increase turnover or the fact of customers wanting to buy products.

Conclusions

The goals of this study are to clarify as much as possible the concept of the company tour in order to try to understand the aim of entrepreneurs who give tours of their companies as well as the aim of the visitors. This is with a view to verify if the expectations of the visitors are the same as those of the company directors and vice versa.

It emerged that many terms were associated with “company tour”, with one in particular: industrial tourism. Contrary to the latter over-restrictive term, the former, which we have retained, can be understood as being “any kind of physical opening to the public of a place of economic role in its working conditions or

conditions that facilitate the sharing of know-how”.

Going from this definition, we interviewed six company directors who clarified for us what the company tour could bring to them.

It is evident that apart from the assertion that they were proud to have their firms visited, company directors put forward many arguments in favour of the company tour. The latter is, respectively, relations with clients, suppliers, and institutional investors and also the increase in company turnover. The fact of being able to recruit potential employees was also mentioned.

With the help of the results of this qualitative study, it was possible to draw up a questionnaire. Once conducted, it highlighted various points: in relation to the companies interviewed, *communication* is a major factor when opening companies to the public. To reinforce the firm's good reputation among their clients and to become known by non-clients seem to be the first two priorities for company directors. *Showcasing their know-how* is the third goal and *increasing company turnover* is the fourth goal (when giving a company tour).

Visitors' expectations were then analyzed, thanks to the findings of a survey conducted by the CSA. The analysis pointed out that if only 21% of French people visited a company in 2008, the majority of them thought that *the proposal of this activity is a good initiative*, with 62% of the visitors preferring to visit companies which produced goods or services based on new technologies.

The reasons that people take a company tour are (in order beginning at the most common): *to discover know-how and find out about technology* (56%); to understand how those employed in sectors different to their own work (also 56%); to discover innovative companies (35%); to visit local commercial premises that form part of the French heritage (26%); to help to orientate themselves professionally or hand in a CV (17%); to buy products (11%); and to establish business relationships (9%).

Thus, the managerial contribution to this study is not insignificant. In fact, two implications emerge from this research. Firstly, company directors want people to visit their firms to show off their know-how and to sell products. Secondly, customers want to visit companies in order to obtain know-how and to a small extent to buy products.

The expectations of the two groups therefore converge on these two points. The results of this study allow us to suppose, therefore, that companies who emphasize the demonstration of their know-how will be able to attract visitors and generate product sales in this way, as a certain number of consumers are prepared to make purchases.

Evidently, this study has limits. The first one stems from the fact that the concept of the company tour is badly defined in the first place. This is why our research was only based on companies with a commercial aim.

The second limit is without a doubt the size of the chosen sample with regard to the company directors' expectations. Although it represents more than 20% of the companies to be interviewed, it is still much too small to be able to make a generalization from the results obtained.

Nevertheless, the two points emerging from this study (the showcasing of know-how and the sale of products) are important for companies to be able to set up an interesting communication campaign that is more honed to the needs of visitors.

It is why the determination of this campaign will be the object of future research to obtain a better vision of what visitors¹³ expect, so that company directors will be able to improve the efficacy of their firms.

¹³ Suggested proposal on conclusion of the second European congress on Industrial Tourism, 11-13 November 2008, Toledo.

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