

# Market Share and Advertising Strategies in Tourism Industry

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## Abstract

This study investigates how the firms in a tourism industry use the previous visiting records with advertising strategies and pricing strategies to maximize their profits. By setting up a theoretical model to analyze the firms' loyalty price and seductive price decisions as well as considering their market shares implying the previous records and advertising strategies. The previous visiting records are classified into two different cases; weak dominance and strong dominance. The optimal loyal price, seductive price, profits of both firms and the social welfare levels are all discussed separately.

Keyword : Market share, Advertising Strategy, Game Theory, Tourism industry