



UNIT-17

Marketing and Advertising

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Discuss the Hotel Market & its various Products
- ✓ Explore effective hotel marketing strategies
- ✓ Evaluate the value of Marketing Mix for Hotels

Unit 17

Marketing and Advertising

Introduction

The tourism and hospitality industry is identified by the products which are needed to satisfy the demand for travel, accommodation, food and beverage when away from home. The necessity for good lodging is a main purpose of the travel and tourism industry. The definition of tourist is a person who visits a place away from home for pleasure/ vacation, business, sports, health, or family reasons. One of the foremost industries today is tourism, with more than 720 million individuals travelling annually. It is estimated that the yearly average growth rate for the tourist industry is about 9% to 12% worldwide. The tourism product is comprised of many joined units which together make up tourism service industry. Three major sub - industries are involved in travel product development.

These are:

- i. Travel agents and tour operators;
- ii. The lodging sector (hotels and meals); and
- iii. Traveller transportation

International estimates maintain that a traveller spends approximately 40% of his total expenditure on hotels and food, about 35% on transportation, and the remaining 25% on shopping and entertainment. Products, related to travelling, are not simply restricted to travel and lodgings, it also includes a large variety of secondary services, which range from travel insurance to entertainment and shopping. Customer motivation, as well as, the demand generation is largely dependent on strong influential interaction at country (macro) level and the business (micro) level.

The Hotel Market

The complete hotel market, which comprises the total requirements for hotel accommodations, can be divided into many units. These units are governed by the needs of the tourists and the resources they have to pay for their pleasure. The market for the accommodations will be served depending on what is offered, and at what cost. At the executive level, it is important to visualise the requirements for the hotel sector at both the primary and secondary levels, to be able to evaluate the necessities on the supply side.

Primary and Secondary Levels of Demand

Primary level	<ol style="list-style-type: none"> i. Basic need which exists for hotel accommodations that are not being met at the time ii. Dislocation demand resulting from the customers for other hotels where The guests' requirements are not satisfactorily met by the market package presented.
Secondary level	<ol style="list-style-type: none"> i. Produced requirement which is not present at the time, and arising from individuals who do not typically use hotel accommodations, or from folks who do not utilize the lodging facilities in specific area. ii. Necessity which may transpire at some future date, as a result of either certain socio-economic or socio-psychological factors or both, e.g., increase in the standard of living and per capita income ('green revolution' areas, new industrial development), rise in population, altering social systems and habits, etc.

Table. 17.1

A new hotel established in a certain section of the hotel market may in due course be able to achieve all these levels of requirement. It is important that there should be significant requirement which can be taken advantage of by a new hotel. Dislodgment and produced levels of demand need a time period and continuous sales effort to achieve their potential, while calculation of future demand relates persistent continuing prosperity for the hotel. If the undeveloped requirement is lacking and if the displacement, produced by future levels of need assure well for an investment assessed on a '10 - to - 15 year basis,' the conclusion to open a new hotel due to such circumstances will inevitably be a long-term choice. For lodgings each unit of the market, along with its primary and secondary segments, encompasses some or all of the prospective consumers of hotel accommodation, as revealed in table below, which, at some places, can overlap.

Potential Buyers for Accommodation and Catering Services

Accommodation	<ul style="list-style-type: none"> • Transit tourists, temporarily stopping at a particular location. • Terminal tourists, people who arrive at a location which is end of their journey. • Travelling businessmen. • Visiting personnel, i.e., businessmen or industrial staff who travel occasionally as part of their job. • Organised tours.
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	<ul style="list-style-type: none"> • Conventions, conferences, workshops, meetings, where the location is arranged by the planners. • Social visitors, i.e., invitees to weddings or other social functions.
Catering	<ul style="list-style-type: none"> • Guests who are lodgers at the hotel. • Transit or passage customers, individuals other than residents of the areas utilizing the hotel either by impulse or design for meals or refreshments. • Organisation and societies having members acting together. • Local businessmen who use the hotel to attend a business or commercial activity. • Meeting and seminars planned by organizations from outside areas. • individuals on trip who stop by the hotel for meals, refreshments, etc.

Table. 17.2

The Hotel Product

The hotel product comprises of many elements, such as, lodging, food, drinks, recreation, health, shops, and car rental services, just to name a few. Out of all these elements, lodging, food, and beverage components are the main ones.

Philip Kotler has identified 5 levels of hotel product. These levels are:

- 1. Core benefit:** the fundamental benefit the customer is buying (hotel: rest/sleep)
- 2. Basic product:** basic, functional attributes (room: bed, bath...)
- 3. Expected product:** set of attributes/conditions the buyer normally expects (clean room, large towel, quieter location)
- 4. Augmented product:** that meets the customers' desires beyond expectations (prompt room service, music, and check in / out, aroma)
- 5. Potential product :**the possible evolution to distinguish the offer (all-suite hotel)

After studying the above table, it is evident that, at the "core" level, all hotels are alike and the differences begin to show as soon as you to move up the scale. The accommodation element of the hotel product needs a definite connection to the type of business the hotel intends to attract and serve. Irrespective of 'star' classification, as clientele have a tendency to move from one 'star' category to another, lodgings can be luxurious regardless of the cost, or economy level where only the basics of shelter are provided at economical prices. In between these two levels there are assortments of lodging facilities: guests whose accommodations are paid for, people on vacation that pay for their lodgings, individuals who are part of groups on business or pleasure. Once the hotel property has been developed

to meet the needs of specific types of customers the possibility of deviation is greatly limited. A budget hotel cannot be converted into a luxury hotel without substantial expense and time, however, a reversal from luxury class to budget hotel is practical and less challenging. To overcome the above complications, hotel architects, all over the world, are now planning properties that are much more flexible so that it is easier to convert public rooms for multipurpose. In circumstances where flexibility is not present in a hotel, the hotel product is ridged and selling rooms for accommodation will depend entirely on marketing to the right type of customer. However, the food and beverage element of the basic hotel product presents a greater opportunity for flexibility. Qualitative differences can be very extensive and can span from luxury class a la carte high price menu restaurants with extensive table service to the moderate or low priced menu restaurants. Initial expenditure is comparatively lower- decoration, fittings and furniture can be rearranged effortlessly altering the image of a dining room or restaurant in whichever way.

Another area of flexibility is the convenience of room service either from the hotel's own kitchen or from outside. It is apparent that the hotel's resident lodgers know precisely what they are purchasing in room occupancy and in the food and beverage sales. Because of their knowledge of the hotel product the guests will form future relationship with the hotel and the patronage afforded. The table below provides several ways in which food service products and accommodations can be improved.

Hospitality Product Augmentation

Accommodation	Food and Beverage
Reservation system convenience	Speed of food service
Reservation system simplicity	Ordering convenience
Acknowledgement of reservations	Telephone
Lift attendants	Advance orders
Standard of housekeeping	Order-taking table staff
Room service	Complaints procedures
Courtesy	Advance reservations
Procedures for handling overbooking	Reliability of food/beverages quality
Information service	Customer advice on wines
Customer recognition	Provision of special foods
Credit provision	Cooking to order
Baggage handling	Acceptance of credit cards
Pet/child care	Variations in portions
Provision for disabled	Home deliveries
Group accommodation	Extent of non-available menu items
Discounts on club referrals, etc.	Fibre /calorie information
Cleaning/laundry	Provision of doggy-bags
Courtesy care	Function-catering facilities
Willingness to bill later	Quality of table appointments
	Entertainment
	Privacy / discretions

Table. 17.3 Source: Francis and Buttle, "Hotel and Food Service Marketing"

Hotel Pricing and Distribution

Pricing

It is challenging for a hotel to apply differential pricing except for firm precise reason. These reasons may be differentials in prices due to off season compared to peak season; issuing group rates; contract rate for businesses such as airline crews; special rates for conferences or special concessions to entice clientele. Generally, hotel pricing depends largely on pricing standards appropriate to the location of the resort in the city, relationship to the other competitive hotels, to the volume of demand being produced due to the hotel location, tourist location, and international versus national conference site etc.

However, there is a degree of rigidity which is inflicted on hotel pricing, but, to a lesser degree than that of the hotel product. Other factors that have an effect on tariffs and menu prices are; competence of the hotels financial management, depreciated estimate of the hotel property, credit policies, cost of vacant rooms per night, and fixed overheads.

Distribution

Hotel distribution depends on interdependence, with other industries that serve tourists and travellers, such as, travel agents, tour operators, transportation industry (air, sea, rail and road services), national and state tourism businesses, entertainment providers, and shopping malls. Overall, those businesses, which supply other services to the tourist or business traveller, which are utilised when lodgings and food are guaranteed. Serious examination is required to study fascinating features of hotel distribution. Cooperative distribution is first feature, in which business overflow is passed on from one hotel to another on a mutual basis, without disturbing steady trade with the core intermediaries in the distribution system such as special business clientele, airlines, tour operators and travel agents. The second feature of hotel distribution is the increasing growth of franchising. Franchising may take numerous shapes, but, it fundamentally involves making accessible to the beneficiary (franchisee) of a business, structure that is planned and controlled for quality standards by the franchiser.

The franchisee has the benefit of being involved in a reservation and sales system which makes sure that a certain amount of business is sent to you, which may not be obtainable, otherwise. The franchisee also profits from image of the franchiser, professional training and advice supplied by the franchiser. Due to this, the beneficiary improves his own efficiency and operational image. The franchiser benefits since his investment is not needed in the franchisee's properties. Simultaneously, while the franchisee is driven to make his business a success, the franchiser's distribution system has expanded. Hotel distribution is, therefore, a vital component of the marketing mix.

Communications

This element of the hotel marketing combination may very well be the most important because it is directly responsible for attracting customers to the hotel. Hotel marketing communications may be either direct or indirect. Direct communications are achieved by advertising, sales promotions, personal

selling, and direct mail. Appropriate sales pitch is communicated to buyers of the hotel product or those in a position of influence to buy the product. Direct selling of the hotel product is suitable when long lasting association between the hotel and customer is pursued. It is necessary in cases where the level of business sought is substantial with a customer.

Indirect marketing communications for hotels consist of publicity as well as public relations, both of which may not necessarily be a part of the hotels marketing communications agenda but may operate autonomously. The main components of the hotel communications combination are publicity, public relations, sales promotion, direct mail, and mass media advertising.

1) Advertising

Hotel advertising is a successful and usually continuing effort to educate the customer about the presence of the Hotel, by providing information pertaining to the location and the types of facilities on offer. Advertising also aims at persuading the customer in such a way that they find a particular service offered appealing. Informative advertising is essential a new hotel or one that is offering new amenities or services that are altered from the past. Persuasive advertising is directed at a more aggressive position.

In advertising, a target audience is approached through non-personal means by the hotelier, whereas, in a sales promotion, the identity of the target is known by the hotelier. The function of advertising is similar to that of communication – in that they both provide information in the hopes of persuading the consumer or the travel trade to change, or to sway outlook towards the advertisers business or product.

Successful advertising catches the attention of potential customers, and is the first introduction of the location, area and hotel itself. The effectiveness of this advertising will always be dependent on the impression made. Advertising has to have a touch of class and maintain quality to make sure that a favourable impression is made on the potential customers. A certain amount of showmanship and a lot of originality is necessary to make advertising efforts interesting, persuasive, and successful. To be able to meet the competition, advertising must be superior to other competitors in the field and to achieve this you must have effective advertising campaign.

In the hotel business, the advertising campaign must be planned very carefully so that the unique characteristic of the hotel product, which are highly intangible and cannot be exhibited, cannot be transported or taken to the market-place and is usually purchased beforehand from a distance, are still marketed effectively. The advertising is heavily dependent upon the images and descriptions of the ambiance to help represent the hotel's product rather than having the actual product in the market-place.

Since the hotel's product can only be marketed on the strength of descriptions and representations, the competitive edge is the outcome of the quality of those descriptions and representations. For this reason the advertising campaign has to be planned carefully and developed in advance.

The foundation behind recognising the target audiences and producing the appropriate message is that there is a necessity to distinguish marketing communication or advertising approach to various targeted customers. Market segments vary according to their different needs, each segment having

a different requirement; they want to buy various products or the same product for various reasons. Therefore, while attempting to communicate with various targeted audiences, there has to be a varied communication approach. When trying to appeal to the travellers a hotel must provide facts and figures in a language that is easy for the consumer to comprehend, even though some consumers may like to hear evocative language.

While trying to connect with prospective consumers, it is important to recognise psychological motivation and try to inspire the potential hotel guest by communicating assurances of the benefits that will gratify the consumers psychological and any other needs. The hotel product amenities can be promoted against a number of areas, since there are many various market segments, as stated below -

- Conventions, conferences, and meetings;
- Room occupancies;
- Reservations for various hotel facilities;
- Good eating and first- class food;
- Family dinner;
- Dining, dancing, and clubs;
- Bar and permit rooms;
- Buffets, special dinners, and lunches;
- Sophisticated entertainment;
- Popular entertainment;
- Weddings and special accommodations; and
- Festival and parties

The reasons for advertising in the hotel business differ; from building an image to immediate sale. The hotel can advertise with one or a mix of objectives in view. Some of the objectives related to hotel advertising are cited in the table below:

- To increase sales
 - Induce potential guest/customers to visit the hotel
 - Obtain enquiries through mail/telephone on a priority basis
 - Promptly announcing special offers or any other attraction
 - Secure enquiries from travel agents/tour operators/wholesalers
 - Stimulate impulse action (e.g., book a table for dinner)
 - Induce conference buyers to contact hotel
 - Publicise unique selling points of the hotel – location, atrium or any other special architectural features, and any other specific feature – which would attract attention
 - Support regular travel/tour agent in selling the hotel
- To create awareness or interest in ‘Facilities/services available.’
 - Individual facilities (rooms, suites, pool, bar, and health club, etc.)

- Group of facilities, e.g., specialty restaurants, etc.
- Special facilities/services, e.g., CCTV, audio-visual equipped conference hall, full office-cum-secretarial services with internet, STD telephone, and fax, etc.
- To create awareness or interest in 'Benefits to be gained by patronizing hotel':
 - Specific, e.g., tangible, psychological, aesthetic
 - Financial e.g., prices, discounts, credit, etc.
 - Quantitative, e.g., portions, size of guest rooms, and private balconies, etc.
 - Qualitative, e.g., guest room climate control and wide range of items on menu
 - To create awareness or interest in 'Versatile advantage of hotel.'
 - Mini- Frigidaire in guest room "do-it-yourself" tea/coffee/breakfast kit in guest room
 - Multipurpose meeting room-cum-wedding hall
 - Collapsible bed-cum-divan/room convertible into meeting and private dining room
 - "Wake-up call"-cum-"appointment reminder" device in guest room
- To create awareness or interest in 'Resources behind the hotel'.
 - Stand-by generator for uninterrupted power supply
 - Water purification system: "Drink from bathroom tap"
 - "Take a tour of our kitchen": latest equipment
 - "Meet our managers": quality of service-oriented staff
- To effectively counter wrong impression created by:
 - Competitors
 - Media
 - Public Opinion
- To educate guests/customers on:
 - Conveniences
 - Atmosphere and general finesse
 - New facilities/services provided
- To create a favourable image of the hotel:
 - Good employer
 - Good corporate citizen
 - Role in the community
 - Foreign exchange earner
 - Developing and supporting ancillary-supplier industries/business

Determining and Creating Specific Advertising Message

With insightful information of the consumers' requirements and the product's qualities, the hotel organisation, or the advertising agency on behalf of the hotel business, has the ability to produce messages that understand the needs of the consumer – gratifying qualities of the product according to the guests needs. The advertised message, therefore, becomes a link between the advertiser who understands the needs and wishes of the consumer and the potential hotel customer who wishes his needs to be satisfied. There is a need to have proficient slant while planning the specific advertising message. It is, therefore, important to know and understanding the ins and outs of the job, which needs to be completed, the hotel's products, the needs and desires of the potential guests, and the answers to the questions of the potential consumers. The conference buyer, for example, needs detailed information of particular interest and importance to him.

So, when the hotel reaches out to the conference buyer, through the media (print and television ads) there is a need to set them apart from the other types of buyers in the communications approach. In the cases of conference and convention markets, it is important to provide technical information, facts, and figures in its messages. How high are the ceilings in the conference hall and it is important to know whether they are flexible or not. This is important for several reasons, for instance, if the conference buyer wants to have audio-visual presentation can they manage presenting it in that conference hall? The conference buyer would show interest in the configuration of the seating arrangements—specifically, how many have a clear view of the stage? How many have a clear view of the screen that will show the audio-visual presentation that will be projected? Detailed information on availability of secretarial services, stenographers, typists, and computers may also be required. Availability of audio-visual equipment such as overhead projector, slide projector, sound amplifiers, microphones, TV sets, CD players, and computers would also help a conference buyer in deciding if they should book a conference in a particular hotel.

An advertising copy would still be incomplete since it needs more information. The conference buyer would require more information on the rest of the hotel and what it has to offer. Therefore, the advertising copy should contain information on the location of the hotel and how attractive it is, should the conference be held at a specific time of year or throughout the year, explaining transport facilities and other services that are available, and the track record with other conference clients, and prices. All in all in advertising it is important to remember what you are selling, what your goal is in advertising, what the requirements of potential customers are and be able to answer the requirements of the potential customers.

Advertising Decisions:

While advertising, many decisions need to be made. Of course, the main decision that tops the list is how much money is available to be spent. The common approach to deciding the advertising budget is to assign a percentage of the sales revenue, either past years or the present years anticipated. The advertising need does not correlate to with the need for advertising. It is necessary to increase

advertising when sales revenue is low or when there is decreasing demand. Another method for allocating an advertising budget is to make an unplanned decision as to how much the hotel afford to spend on advertising predicting additional business. This is a very slanted method in that it ignores the problem that advertising is needed most when the business can least afford it. A third method of budget allocation is to assume advertising expenditure if the current value of the extra income generated will be greater than the expense of advertising. This is an adequate decision if proper information was available as to how responsive the demand is to advertising expenditure. Few businesses can reach a sound investment decision about advertising expenditure. A fourth method is to attain a competitive parity, for example, in a situation where hotel businesses have agreed against price competition, each business will try to spend the same amount on advertising as their rival business does, which will cause an increase in business costs, without any corresponding benefit. The fifth method is to develop an advertising budget that will achieve an assured set of goals or tasks. In this method the role of advertising, as part of the promotional element in marketing mix, can be plainly recognized to inform by answering the following four questions.

- i. Is advertising used to inform or persuade the customer, or is it to combine and strengthen the existing customer acceptance of the hotel?
- ii. Is the information to be imparted through advertising general in nature or to promote a special facility or service?
- iii. Is the advertising aimed at influencing the habitual or impulse buyers, or directly to the customer or the influencing agent, current or new customers, national or international consumers?
- iv. What will be the general effect of advertising or revenues in particular, whether a broad increase in occupancy or food and beverage sales is expected; alternatively if how off season facilities can be utilized to the best advantage?

If the decision to advertise is based on the fifth method, it is possible to pick suitable media- newspaper or magazines, radio/TV, direct mail or hand-outs, and direct the appropriate advertising message to the target audience.

2) Sales Promotion

Sales promotion is directed at generating an immediate response, in terms of a buying decision – this is especially true in the room rental and food/beverage sales aspect of the lodging industry. A hotel, which aims to profit from sales promotions, has to be identified and a focused promotions' drive needs to be aimed at bringing about the desired amount of increase in business, must be initiated. For example a hill station hotel which does less business during winter season will want to advertise its accommodations and other available amenities when a winter sports event is taking place in the area or a national/international conference or special convention or work shop may be scheduled and the participating members also need relaxation. People who would not normally visit the hill station during the winter season may be prompted to do so when presented with an opportunity.

There are two ways in which one can observe sales promotion. The first order is time limited and the second is a continuous permanent activity/function. Despite these differences one can categorize three sets of activities under sales promotion: trade promotions, consumer promotions and displays.

Trade promotions are organised to induce or persuade the travel trade or the distributions channel to produce more demand. The term “travel trade” refers to all of the accessible distribution channels or outlets to the hotel business. Therefore, trade promotions are advertising strategy calculated to persuade the travel trade to increase the sales of the hotel product or its services and toward this goal various incentives are given.

Consumer promotions are designs to persuade the consumer, for example, the potential hotel guest, who uses various hotel services, to buy a specific hotel product or service, at a certain point in time. Consumer promotions should be assumed as the first explanation of sales promotion schemes which are expressed in terms of time and are finite.

The third group of activities comprise of product display and associated point-of sale material, such as, posters, show cards, and display units, keeping in mind that one cannot actually display the actual hotel product or service at the point of sale and for this reason is dependent on the descriptions and depictions of the actual product.

Forms of Travel and Tourism Consumer and Trade Promotion Schemes: Hotel promotion, as a single plan, is usually a cooperative scheme, i.e., dependent upon one or more of the other sectors of travel and tourism industry. Some plans can be developed and operated by a hotel but a larger number of promotional schemes presented to the hotel industry depend on the collaboration of other sectors of tourism and travel business.

The other motive is to increase the awareness of the prospects available to the various sectors in the industry. In Table 12.6, various types of sales promotion methods have been itemized. The list is not complete and the examples given for each type of promotion listed meant to be thorough. These are some of the plans available at the hotel, as well as, the hotel industry. The examples show that most advancements of the hotel product are cooperative and the industry is reliant on the support of the other sectors, such as, airlines, travel agents, tour operators, or allied sectors.

Forms of Travel and Tourism Consumer and Trade Promotion Schemes

Type of Promotions	Example
1. Price-off Promotions	Special offers for certain clients at particular time; e.g., off-peak discounts: discounts for hotel stay at specific times or seasons of the year.
2. Premium Offers	Special package deals, e.g., three weeks stay for the price of two, group plans; children free if accompanied by parents; special introductory prices, etc.

3. Couponing	Coupons allows the holder to specific terms, e.g., discounts at shopping centres, discounts for petrol, free excursions and sightseeing tours, free use of hotel recreation facilities, etc.
4. Contests (consumer)	Prizes awarded to guests winning contests, e.g., free meals/stays.
5. Contests (trade)	Prizes bestowed to travel trade winning particular contests, e.g., free holidays/stays, or other articles, usually products of the destination country involved
6. Loyalty Schemes	Discounts given for next booking if done within a certain period of time; “Give away” to loyal customers.
7. Trade Incentives/Discounts	Given to retailers/wholesalers for achieving stated sales volumes, e.g., bonuses, override commissions, quantity or volume discounts, etc.
8. Guarantees	Money-back guarantees in case of cancellation of flights, tours failures, bad weather, etc.
9. Credit Schemes	Purchase of tours on an instalment payment basis, normally extended by travel trade organisations with bank connections— “Travel now, Pay later schemes”, etc. Acceptance of payment by credit card.
10. Cooperative Advertising	Financial remuneration given to a tour operator or travel retailer promoting specified hotel/product.

11. Training Schemes	Free acquaintance tours for travel agents/ tour operators; training seminars and briefings for sales personnel, etc.
12. Merchandising Support	Free display material and other selling aids offered to retailer/wholesaler as a part of the special campaign.
13. Quiet Weekend	Weekends are quiet after the businessmen leave when the workweek comes to an end. To generate additional business during these quiet times and utilize the available space and staff to generate an income the hotel or organization can contact businesses to organize fairs, exhibitions, fashion shows and cultural events. These businesses can be approached through personal contact or direct mailing.
14. Welcome-cocktail	To generate more demand for “Food and Beverage”, hotels offer a complimentary drink free as part of sales promotional effort after one drink the guest may stay and have more thus providing additional business to the hotel.
15. Honeymooners Return Trip	Some hotels provide special coupons to honeymooners to come and celebrate their wedding anniversary. This ensures future business for the hotel.
16. Discount for Agents and Airlines ‘Crew	Promotional efforts help in developing good relations with the travel trade by providing them discounts.
17. Free Ticket for Sound-n-Light show	Some hotels give free tickets to their guest for sound and light shows held in their hotels. This promotional effort helps in developing guest relations.
18. Sun-n-shine Guarantees	Some beach resort hotels whose business depends on sunshine can guarantee sunshine to their guests during off-season. If there is no sunshine the money paid is returned to the guest. If the hotel has some credible system of good weather forecast, one can do good business.

17. Consumer Contests	Some hotels in working with consumer goods organisations and organise contests for joint promotion of their products.
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Table. 17.4

3) Public Relations

Public Relations are not confectioners' sugar that can be sprinkled on a difficult situation to make it sweeter or relatively easy. Public Relations as a part of marketing communications aim to support the total communications/promotional struggle by helping to produce a positive image of the hotel organisation; and by offsetting any negative influence that many arise from time – to - time, also it is producing goodwill for the hotel management. It is unnecessary to point out that a well-researched and well planned public relations campaign will show high dividends in the long run. Always remain genuine and don't oversell. Public Relations are an on-going project which has to be sustained and integrated into the promotional campaign.

At the operational levels public relations must be differentiated in terms of a 'variety of public', such as, guests, community, media professionals, government agencies, and employees, which are important to the hotel business and public relations campaigns should be developed to produce good relations with all such publics.



Fig. 17.1

Guest Relations: This represents the customers, satisfying this group through Public Relations is also called guest relations.

Media Relations: Hotels also deal with the press and electronic media, or mass media. Hotels rely on mass media to reach a variety of groups to influence public opinion about their business in a positive way. This aspect of Public Relations is called media relations or press relations. This is probably the most important type of Public Relations for the hotel business and any organisation in the tourism industry.

Relations with Government Agencies: Governmental agencies whether city, local, state, or central branches, are the authorities with whom excellent relations must be maintained. They are all involved in the operation of the Hotel organisation.

Community Relations: The community around the hotel is also important. For this reason, Community Relations is necessary. Community Relations are also very necessary for hotels that are located in remote areas of the country. Also, those which entertain foreign guests where there is a large difference in lifestyles and the spending patterns of the community where the hotel operates. If a hotel is in an undeveloped area of the country, then, a luxury resort maybe built (it may not be luxury from the industrial or technical point of view, but for the people living around the hotel, it will be luxurious) this may lead to resentment from those living in the area. These circumstances show a need for good community relations.

Employee Relations/Labour Relations: Probably the most important group, where a great deal of Public Relations activity occurs, is with the employees of the hotel. Staff relations and employee relations is extremely important because the hotel business is mainly a service industry, a business in which there is a large amount of interaction between the guests and the labour force. This is an industry which is dependent on personalised and quality care being given by the employees to the customer staying in the hotel. Therefore, the staff must have loyalty, show enthusiasm, have high sense of motivation, and pride in the organisation to create and provide consumer satisfaction. For this reason, it is important to exercise good Public Relations with the employees.

The objectives of PR can vary largely from one organisation to another. The relationship between the business and the public differs depending on factors, such as, the size of the business and the community in which it is situated; the types of services and the facilities it offers; and the type of market that it targets. Several Public Relations activities some of which may not apply to the hotel business are as follows:

- ✓ Pay attention to the public's attitude toward the organisation and its policies, as well as, its products, practices, programmes, and personnel.
- ✓ Satisfy the hotel guests by promptly addressing all complaints and removing any irritants, making adjustments in the policies, practices, or the product as need be to provide efficient service to produce a well-organised hotel business.

- ✓ Open communications between customers or travel trade organisation to answer questions about matter regarding the hotel organisation.
- ✓ Create/develop promotional material, develop advertising campaigns, sales letters, and send out direct mail material. Request feedback to see efficiency of the advertising.
- ✓ Teaching the staff to provide quick, efficient, courteous, accurate, and friendly service to every person who contacts the hotel either by phone or personally or by correspondence.
- ✓ Helping the managers and staff of the different departments of the hotel to improve their own public relations or communications so that they exhibit efficiency.
- ✓ Interacting with the people in advertising (or advertising agency), sales promotion and personal sales to produce consistent, effective, persuasive, and honest messages for all the public that interacts with hotel business.
- ✓ Having open communications with other businesses, travel agents, tour operators, community members, and governmental agencies concerning matters, interlinking the organisation to economic, environmental, and societal impact on the country, community, and individual guests.
- ✓ Showing the society that the business is listening, responding, correcting, and progressing in its efforts to promote most satisfaction to its varied publics.

These are a few examples of the objectives public relations personnel have to develop in a hotel organisation. A few of these ideas may seem quite general in their content and scope for working purposes. If a persistent and thorough attempt is made these objectives can help to a large extent in promoting the hotel's package of product and service.

4) Publicity

Another feature of marketing communication is the publicity, which is promotion, not strictly created by the organisation and frequently generated by the media. Publicity is not an advertising role, like marketing research, product planning, distribution system, advertising, Public Relations, or sales promotion, which are all marketing techniques. Publicity is more an objective of Public Relations in that, with good Public Relations, one tries to get publicity or generate publicity.

The media looks towards industries, hotels, and other businesses to provide them with news about their organisations. This happens since every business has an important and direct effect on the social, economic and at times, the political life of the community. Newspapers present stories that are of public interest to the readers.

Bad publicity is usually a result of deficient information and sometimes an indifferent attitude toward the press. Therefore, newsworthy information should be supplied to the press. It is in the interest of the hotel to supply any such information because it shows an inclination to cooperate. Uninterested attitude may result in bad coverage through an article, review, or appraisal of an event or condition; or an unfavourable account that will negatively affect the image of the business of the

hotel. Keenness to share the news with the media will help in dealing with those circumstances where incorrectly published event would affect the hotel organisation.

Extended Marketing Mix for Hotels

The first component of the extended marketing mix for facilities is physical evidence which contains services cape and other tangibles. Tangibles are those items and physical clues which may represent the service, i.e. dress code of the employees. The services cape correlates to the setting in which the services are delivered. Services cape concerns are mostly important in all services where “customer goes”. (You may know that services can be categorised into three broad categories. First are service organizations where customers go, i.e. hotel, hospital, bank, restaurant, health club. The second are those service businesses which to the customer, i.e. An AMC provider which provides services to computer hardware must go to the customer. The third type of service organisations are those that interact from a distance neither the customer nor the organisation physically move, i.e. telephone service providers, credit card, insurance services.) In the Table below service cape elements and physical evidences as related to the hospital industry are identified.

Services cape and Other Tangibles in a Hotel

Services cape	Other Tangibles
<p>Facility exterior</p> <p>Exterior design Signage Hotel gate area Landscape Surrounding environment Parking</p> <p>Facility interior</p> <p>Interior design and equipment Lobby and other waiting areas Interior of rooms Room size Types of specialty Restaurants Pool area Layout of the various facilities Air quality/temperature</p>	<p>Business cards Stationery Billing statements Reports Employee dress Uniforms Brochures Internet/Web page</p>

Table. 17.5

The second component of the extended marketing mix is people. In service businesses internal marketing and choosing the right target customers is important. Internal marketing and organization of staff are also important in the hospitality sector. It's been determined that in the hotel business the room to employee ratio is 1:2. Simply stated, a 100 room hotel should have about 200 employees.

If this ratio is not maintained the service may not be up to standard. Some hotels have found substitute routes to reduce labour cost. For example, most guests enjoy bed-tea, which increases room service staff requirements. To reduce costs hotels provide an electric kettle, tea bags, sugar and powdered milk in the room, this reduces the need for extra staff to deliver bed-tea to the rooms. Likewise, other areas are being examined in an effort to reduce man-power costs while maintain the quality of service. Incorporation of information technology is one such method.

The third component of extended marketing mix is the service delivery process. There cannot be any shortcuts in this component. Many of the excellent hotels do not have many customers due to poor service delivery. In contrast to this, many small and ordinary hotels are able to compete and flourish in the market place due to their efficiency and high quality in service delivery.

Marketing Consortium or Cooperatives

Small and medium independent hotel operators need to cooperate with each other due to the pressure placed on them by hotel chains as well as the travel and tourism organisation as a whole – such as airlines coming into the hotel and travel trade; tour operators uniting. Selling the hotel product has become difficult for the smaller hotels. This problem may be solved by cooperative marketing efforts which could be either 'group marketing' or 'area marketing'.

In "group marketing" cooperation is on the basis of similar standards – standards may be according to 'star' classification, similar services, attractions, etc. In group marketing, one way for hotels to work together is across the country for example offering a tour of all of India on a budget to tourists or group tours.

The basis of mutual cooperation is, of course, 'gain'. A small hotel operator running a business independently in a town will find it difficult to spend on even a minimum promotional effort which is necessary for the hotel (taking into account that this particular hotel is not in a monopoly situation), however, if businesses work together they can afford to send their sales representative to travel agents abroad to sell their hotel. Also, this collaboration can lead to referrals and recommendations.

Another kind of collaboration for hotel marketing is called 'area marketing'. Area marketing may be a 'cooperative' of independent hotels in a region or destination – hotels in an area get together and try to promote the market or their location together, despite the differences in standards or quality of the hotel. The goal is to bring tourists to a certain destination, which could be a location, a resort, a city, or a country.

Further Reading:

- ✓ *Amy S. Jorgensen, (2003), Restaurant Marketing and Advertising: For Just a Few Dollars a Day*
- ✓ *David Bowie, Francis Buttle, (2011), Hospitality Marketing*
- ✓ *Pat Golden-Romero, (2007), Hotel Convention Sales, Services, and Operations*