



# UNIT-6

## 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 a Marketing Mix for Hotels

## Unit 6

### Marketing and Advertising

#### Introduction

The tourism and hospitality industry is identified by the products that are needed to satisfy people's demand for travel, accommodation, food and beverages when they are away from home. The need for good lodgings is the main purpose of the travel and tourism industry. The definition of a 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 comprises many combined units which together make up the tourism service industry. Three major sub-industries are involved in travel product development:

- 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 restricted to travel and lodgings; they also include a wide variety of secondary services, ranging from travel insurance to entertainment and shopping. Customer motivation and demand generation are largely dependent on strong influential interaction at country (macro) level and business (micro) level.

#### The Hotel Market

The complete hotel market, which comprises the total requirements for hotel accommodation, can be divided into many units. These units are governed by the needs of the tourists and the resources for which they have to pay for their pleasure. The market for the accommodation 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

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

**Table 6.1**

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 be significant demand which a new hotel can take advantage of. Dislodgment and produced levels of demand need a certain period of time and continuous sales effort to achieve their potential, while calculation of future demand relates to persistent, continuing prosperity for the hotel. If the undeveloped requirement is lacking and if the displacement produced by future levels of need bodes well for an investment assessed on a '10 - to - 15 year basis,' the decision to open a new hotel due to such circumstances will inevitably be a long-term choice. As 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 the table below, which, in some places, can overlap.

## Potential Buyers for Accommodation and Catering Services

|                      |   |
|----------------------|---|
| <b>Accommodation</b> | <ul style="list-style-type: none"> <li>● Transit tourists, temporarily stopping at a particular location.</li> </ul>  |
|                      | <ul style="list-style-type: none"> <li>● Terminal tourists, people who arrive at a location that is the end of their journey.</li> </ul>                    |
|                      | <ul style="list-style-type: none"> <li>● Travelling businessmen.</li> </ul>   |
|                      | <ul style="list-style-type: none"> <li>● Visiting personnel, i.e., businessmen or industrial staff who travel occasionally as part of their job.</li> </ul> |
|                      | <ul style="list-style-type: none"> <li>● Organised tours.</li> </ul>  |

|                 |   |
|-----------------|---|
|                 | <ul style="list-style-type: none"> <li>• Conventions, conferences, workshops, meetings, where the location is arranged by the planners.</li> <li>• Social visitors, i.e., invitees to weddings or other social functions.</li> </ul>  |
| <b>Catering</b> | <ul style="list-style-type: none"> <li>• Guests who are lodgers at the hotel.</li> <li>• Transit or passage customers, individuals other than residents of the areas utilising the hotel on impulse or by design for meals or refreshments.</li> <li>• Organisations and societies with members acting together.</li> <li>• Local businessmen who use the hotel to attend a business or commercial activity.</li> <li>• Meetings and seminars planned by organisations from outside areas.</li> <li>• individuals on trips who stop at the hotel for meals, refreshments, etc.</li> </ul> |

Table. 6.2

## The Hotel Product

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

Philip Kotler has identified five levels of hotel product:

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)

From the above table, it is evident that, at the "core" level, all hotels are alike and the differences only begin to show as you 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 at the economy level where only the basics of shelter are provided at economical prices. In between these two levels there are various lodging facilities: guests whose accommodations are paid for, people on vacation who pay for their lodgings, individuals who are part of groups travelling on business or for 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, making it easier to convert public rooms into multipurpose rooms. In circumstances where flexibility is not present in a hotel, the hotel product is ridged and the selling of 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 range from luxury-class a la carte high-price menu restaurants with extensive table service to moderately-to-low-priced restaurants. Initial expenditure is comparatively lower - decorations, fittings and furniture can be rearranged effortlessly, altering the image of a dining room or restaurant in any way desired.

Another area of flexibility is the convenience of room service either from the hotel's own kitchen or from outside providers. 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 relationships with the hotel and the patronage afforded. The table below provides several ways in which food service products and accommodation can be improved.

### Hospitality Product Augmentation

| Accommodation                       | Food and Beverages                    |
|-------------------------------------|---------------------------------------|
| 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.6.3 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 reasons, such as the following: differentials in prices between the off season and 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, the relationship with competing hotels, the volume of demand being produced due to the hotel location, tourist location, and international versus national conference site etc. However, a degree of rigidity is inflicted on hotel pricing, albeit to a lesser degree than that of the hotel product. Other factors that have an effect on tariffs and menu prices include the competence of the hotel's financial management, depreciated estimate of the hotel property, credit policies, cost of vacant rooms per night, and fixed overheads.

### Distribution

There is interdependence between hotel distribution and other industries that serve tourists and travellers, such as travel agents, tour operators, the 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, are utilised when lodgings and food are guaranteed. Serious analysis can be applied to study the fascinating features of hotel distribution. Cooperative distribution is the first feature, in which business overflow is passed on from one hotel to another on a mutual basis, without disturbing the 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 continuing growth of franchising. Franchising may take numerous shapes, but it essentially involves making accessible, to the beneficiary (franchisee) of a business, a 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 guarantees a certain amount of business that might not have been obtainable otherwise. The franchisee also profits from the image of the franchiser and the professional training and advice supplied by the franchiser. Due to this, the beneficiary improves his own efficiency and operational image. The franchiser benefits since he is not required to invest 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. An 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 a long-term association between hotel and customer is pursued. It is necessary in cases where the level of business sought with a customer is substantial.

Indirect marketing communications for hotels consist of publicity and public relations, neither of which are necessarily a part of the hotels marketing communications agenda but both of which may operate autonomously. The main components of the hotel communications combination are publicity, public relations, sales promotions, 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 for a new hotel or one that is offering new amenities or services that differ from previous ones. Persuasive advertising is directed at a more aggressive position.

In advertising, the 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 – they both provide information in the hope of persuading the consumer or the travel trade to change or to sway their outlook towards the advertiser's business or product.

Successful advertising catches the attention of potential customers and introduces the location, area and the 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 a certain quality to make a favourable impression 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 challenge, your advertising must be superior to competitors in the field and to achieve this you must have an effective advertising campaign.

In the hotel business, the advertising campaign must be planned very carefully so that the unique characteristics of the hotel product, which are highly intangible and cannot be exhibited, transported or taken to the marketplace, and are 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 marketplace.

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 for recognising the target audiences and producing the appropriate message is the necessity to target marketing communications or advertising approaches to various different 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 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 other needs. The hotel product amenities can be promoted in 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 dinners;
- Dining, dancing and clubs;
- Bar and permit rooms;
- Buffets, special dinners and lunches;
- Sophisticated entertainment;
- Popular entertainment;
- Weddings and special occasions; and
- Festival and parties

In the hotel business, the reasons for advertising vary, from building an image to achieving immediate sales. The hotel can advertise with one or a mix of objectives in mind. Some of the objectives of hotel advertising are cited in the table below:

- To increase sales
  - Induce potential guests/customers to visit the hotel
  - Solicit enquiries through mail/telephone on a priority basis
  - Promptly announcing special offers or any other attractions
  - Secure enquiries from travel agents/tour operators/wholesalers
  - Stimulate impulse actions (e.g., book a table for dinner)
  - Induce conference buyers to contact the hotel
  - Publicise unique selling points of the hotel – location, atrium or any other special architectural features, and any other specific feature that might attract attention
  - Support regular travel/tour agents 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 patronising hotel’:
  - Specific, e.g., tangible, psychological, aesthetic
  - Financial, e.g., prices, discounts, credit, etc.
  - Quantitative, e.g., portions, size of guest rooms, 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-Fridges in guest rooms; “do-it-yourself” tea/coffee/breakfast kit in guest rooms
  - 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 guestrooms
- 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 a Specific Advertising Message

With insightful information on the consumers' requirements and the products' 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 to have his/her needs satisfied. There is a need for a proficient slant while planning the specific advertising message. It is therefore important to know and understand the ins and outs of the job, the hotel's products, the needs and desires of the potential guests, and the answers to the questions put by the potential consumers. The conference buyer, for example, needs detailed information on matters of particular interest and importance to him/her.

Hence, when the hotel reaches out to the conference buyer through the media (print and television ads), it is necessary to set this type of client 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 the messages. How high are the ceilings in the conference hall and are they flexible or not? This is important for several reasons; for instance, if the conference buyer wants to stage an audio-visual presentation, will they be able to present it in that conference hall? The conference buyer will show interest in the configuration of the seating arrangements – specifically, how many seats have a clear view of the stage? How many have a clear view of the screen that will show the audio-visual presentation? Detailed information on the 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 will also help a conference buyer decide whether to book a conference in a particular hotel.

The advertising copy will still be incomplete since it needs more information. The conference buyer will 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, the track record with other conference clients, and prices. All in all, it is important in advertising to remember what you are selling, your goal in advertising, and the requirements of potential customers. You must also be able to meet the requirements of potential customers.

### Advertising Decisions:

When advertising, many decisions need to be made. Of course, the main decision concerns the amount of money available to spend. The usual approach to deciding the advertising budget is to assign a percentage of the sales revenue, either from past years or the present year's anticipated sales. The advertising need does not correlate 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 on how much the hotel can afford to spend on advertising by predicting additional business. This is a very slanted method in that it ignores the troublesome fact 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 is available on the responsiveness of the demand 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 not to compete on prices; each business will try to spend the same amount on advertising as their rivals do, which will cause an increase in business costs without any corresponding benefit. The fifth method is to develop an advertising budget that will achieve a guaranteed set of goals or tasks. In this method, the role of advertising, as part of the promotional element in the marketing mix, is clearly to inform by asking 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 is it intended to promote a special facility or service?
- iii. Is the advertising aimed at influencing the habitual or impulse buyers, or is it aimed directly at the customer or the influencing agent, current or new customers, national or international consumers?
- iv. What will be the general effect of advertising on revenues in particular, regardless of whether a broad increase in occupancy or food and beverage sales is expected? Alternatively, how might off- season facilities be utilised 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 that aims to profit from sales promotions has to initiate a focused promotion drive aimed at bringing about the desired increase in business. For example, a hill station hotel which does less business during the winter season will want to advertise its accommodation and other available amenities when a winter sports event is taking place in the area or a national/international conference or special convention or workshop is scheduled and the participating members are also seeking 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 of observing sales promotions. The first is time-bound while the second is a continuous permanent activity/function. Despite these differences one can categorise three sets of activities under sales promotions: 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 the accessible distribution channels or outlets to the hotel business. Therefore, trade promotions are an advertising strategy calculated to persuade the travel trade to increase the sales of the hotel product or its services; to this end, various incentives are given.

Consumer promotions are designed to persuade the consumer, such as 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 seen as the first explanation of sales promotion schemes which are expressed in terms of time and are finite.

The third group of activities comprises 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 is therefore 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., it is dependent upon one or more other sectors of the 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 the tourism and travel business.

The other motive is to increase awareness of the prospects available to the various sectors in the industry. In Table 6.7, various types of sales promotion methods have been itemised. The list is not complete and the examples given for each type of promotion listed are meant to be thorough. These are some of the plans available at the hotel, as well as in 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 and allied sectors.

## Forms of Travel and Tourism Consumer and Trade Promotion Schemes

| Type of Promotions             | Example   |
|--------------------------------|---|
| <b>1. Price-off Promotions</b> | Special offers for certain clients at particular times; e.g., off-peak discounts: discounts for hotel stays at specific times or seasons of the year. |

|   |  |
|---|--|
| <p><b>2. Premium Offers</b></p>             | <p>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.</p>  |
| <p><b>3. Couponing</b></p>                  | <p>Coupons allow the holder to buy on specific terms, e.g., discounts at shopping centres, discounts for petrol, free excursions and sightseeing tours, free use of hotel recreation facilities, etc.</p>    |
| <p><b>4. Contests (consumer)</b></p>        | <p>Prizes awarded to guests winning contests, e.g., free meals/stays.</p>  |
| <p><b>5. Contests (trade)</b></p>           | <p>Prizes bestowed on travel trade members winning particular contests, e.g., free holidays/stays, or other articles, usually products of the destination country involved</p>                               |
| <p><b>6. Loyalty Schemes</b></p>            | <p>Discounts given for next booking if made within a certain period of time; "Give-away" to loyal customers.</p>   |
| <p><b>7. Trade Incentives/Discounts</b></p> | <p>Given to retailers/wholesalers for achieving stated sales volumes, e.g., bonuses, override commissions, quantity or volume discounts, etc.</p>  |
| <p><b>8. Guarantees</b></p>                 | <p>Money-back guarantees in case of cancellation of flights, tours failures, bad weather, etc.</p>   |
| <p><b>9. Credit Schemes</b></p>             | <p>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.</p> |

|  |  |
|--|--|
| <b>10. Cooperative Advertising</b>               | Financial remuneration given to a tour operator or travel retailer promoting specified hotel/product.  |
| <b>11. Training Schemes</b>                      | Free acquaintance tours for travel agents/ tour operators; training seminars and briefings for sales personnel, etc.   |
| <b>12. Merchandising Support</b>                 | Free display material and other selling aids offered to retailer/wholesaler as a part of the special campaign.   |
| <b>13. Quiet Weekend</b>                         | Weekends are quiet after businessmen leave when the working week comes to an end. To generate additional business during these quiet times and utilise the available space and staff to generate an income, the hotel or organisation can contact businesses to organise fairs, exhibitions, fashion shows and cultural events. These businesses can be approached through personal contact or direct mailing. |
| <b>14. Welcome cocktail</b>                      | To generate more demand for “Food and Beverages”, hotels offer a complimentary drink as part of a sales promotional effort; after one drink the guest may stay and have more, thus providing additional business to the hotel.   |
| <b>15. Honeymooners’ Return Trip</b>             | Some hotels provide special coupons to honeymooners to come and celebrate their wedding anniversary. This ensures future business for the hotel.   |
| <b>16. Discount for Agents and Airline Crews</b> | Promotional efforts help to develop good relations with the travel trade by providing them discounts.  |
| <b>17. Free Ticket for Sound-n-Light show</b>    | Some hotels give free tickets to their guests for sound-and-light shows held in their hotels. This promotional effort helps develop guest relations.   |

|                                   |  |
|-----------------------------------|--|
| <b>18. Sun-n-shine Guarantees</b> | Some beach resort hotels whose business depends on sunshine can guarantee sunshine to their guests during the off-season. If there is no sunshine the money paid is returned to the guest. If the hotel has a reliable source of weather forecasts, it can do good business. |
| <b>19. Consumer Contests</b>      | Some hotels, working with consumer goods organisations, organise contests for joint promotion of their products.   |

### 3) Public Relations

Public Relations are not like confectioners' sugar that can be sprinkled on a difficult situation to make it sweeter or relatively easy. Public Relations as part of marketing communications aim to support the total communications/promotional struggle by helping to produce a positive image of the hotel organisation; by offsetting any negative influence that may arise from time to time, it will produce goodwill for the hotel management. It is unnecessary to point out that a well-researched and well-planned public relations campaign will yield 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; public relations campaigns should be developed to produce good relations with all such publics.



**Fig. 6.1**

**Guest Relations:** These concern 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, be they 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 are necessary. Community Relations are also essential for hotels located in remote areas of the country and for 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, the building of a luxury resort (it may not be luxurious from the industrial or technical point of view, but for the people living around the hotel it certainly will be)

may cause resentment among 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 the employees of the hotel. Staff relations and employee relations are 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 that is dependent on personalised and quality care given by the employees to the customers staying in the hotel. Therefore, the staff must have loyalty, show enthusiasm, maintain a high sense of motivation, and take 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 greatly 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:

- Paying attention to the public's attitude toward the organisation and its policies, as well as its products, practices, programmes and personnel.
- Satisfying the hotel guests by promptly addressing all complaints and removing any irritants, making adjustments to the policies, practices or the product as necessary to provide efficient service and produce a well-organised hotel business.
- Opening communications between customers or travel trade organisations to answer questions about matters regarding the hotel organisation.
- Creating/developing promotional material, developing advertising campaigns and sales letters, and sending out direct mail material; requesting feedback to assess the efficiency of the advertising.
- Teaching the staff to provide quick, efficient, courteous, accurate, and friendly service to every person who contacts the hotel by phone, in person or by correspondence.
- Helping the managers and staff of the different departments of the hotel to improve their own public relations or communications to help them exhibit efficiency.
- Interacting with the advertising personnel (or advertising agency), sales promotion and personal sales to produce consistent, effective, persuasive, and honest messages for all members of the public who interact with the hotel business.
- Having open communications with other businesses, travel agents, tour operators, community members, and governmental agencies concerning matters linking the organisation with economic, environmental, and societal impact on the country, community, and individual guests.
- Showing society that the business is listening, responding, correcting, and progressing in its efforts to promote maximum satisfaction to its various 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 greatly in promoting the hotel's package of product and service.

#### 4) Publicity

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

The media look to industries, hotels, and other businesses to provide them with news about their organisations, 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 their readers.

Bad publicity is usually a result of deficient information and sometimes an indifferent attitude to 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. An apathetic 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. Enthusiasm in sharing the news with the media will help deal with those circumstances where incorrect accounts of the event will 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 that may represent the service, i.e. dress code for 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 the "customer goes". (You may know that services can be categorised into three broad categories. The first are service organisations which customers visit, such as hotels, hospitals, banks, restaurants, and health clubs. The second are those service businesses that visit the customer; e.g. an AMC provider which provides computer hardware services must go to the customer. The third type of service organisations includes those that interact from a distance and neither the customer nor the organisation physically moves, e.g. telephone service providers, credit card providers, and insurance services.) In the Table below, service cape elements and physical evidence as related to the hospital industry are identified.

## Services cape and Other Tangibles in a Hotel

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

**Table. 6.5**

The second component of the extended marketing mix is people. In service businesses, internal marketing and selection of the right target customers is important. Internal marketing and organisation of staff are also important in the hospitality sector. It has 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 alternative ways to reduce labour costs. For example, most guests enjoy tea in bed, which increases room service staff requirements. To reduce costs, hotels provide electric kettles, tea bags, sugar and powdered milk in rooms, which reduces the need for extra staff to deliver tea to the rooms. Likewise, other areas are being examined in an effort to reduce manpower costs while maintaining the quality of service. Incorporation of information technology is one such method.

The third component of the extended marketing mix is the service delivery process. There can be no short cuts in this component. Many excellent hotels do not have many customers due to poor service delivery. In contrast, many small and ordinary hotels are able to compete and flourish in the marketplace due to their efficiency and high quality of service delivery.

## Marketing Consortium or Cooperatives

Small and medium-sized independent hotel operators need to cooperate with one another due to the pressure placed on them by hotel chains as well as the travel and tourism trade as a whole; for example, airlines are now entering the hotel and holiday trade, and tour operators are merging. Selling the hotel product has become difficult for the smaller hotels. This problem might 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, according to 'star' classification, similar services, attractions, etc. In group marketing, hotels might work together across a whole country, such as offering a tour 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 money on even a minimum promotional effort that is necessary for the hotel (assuming 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. Such collaboration can also 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 come together and try to promote the market or their location jointly, despite the differences in standards or quality of the hotels. The goal is to bring tourists to a certain destination, which might be a location, a resort, a city, or a country.

### Further Reading:

- ✓ *Social Media Marketing: 4 Books in 1, (2021), By Jeremy Preace*
- ✓ *Social Media Marketing and Digital Marketing, (2021), Michael Branding*
- ✓ *Social Media Marketing Mystery: 3 books in 1, (2021), By Robert Miller*