

School of Business

Course Code : SOBO1001

Course Name: Hospitality Services Sales & Marketing

Marketing & Selling

Reference:

1	Marketing Management: Concept and Cases-Dr. Raj Kumar and Nidhi Goel. Published by UDH Books
2	A textbook of Tourism and Hospitality Management –KCK Rakesh Kadam, VRK Shaifalee and VRK Chainickaa. Published by UDH Books
3	Hotel & Food Service Marketing- Francis Buttle
4	Marketing Hospitality, By Cathy H.C. Hsu and Tom Powers Published By Wiley
5	Hospitality Sales A Marketing Approach by Margaret Shaw Published By Wiley

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Hospitality Marketing



- Hospitality Marketing
- Internal Marketing
- Strategic Planning for Marketing
- Market Demand
- Competitor Analysis
- Positioning
- Affinity Marketing
- Marketing, Sales Goals, Objectives, and Plans
- Sales
- Trends

Hospitality Marketing

- Marketing is the process of identifying evolving customer preferences—then capitalizing on them through the creation, promotion, and delivery of products and services that satisfy the corresponding demand
 - The process of promoting, selling, and distributing a product or service
- This is done by solving customers' problems and giving them what they want or need at the time and place of their choosing and at the price they are willing and able to pay

Hospitality Marketing

- Marketing is about finding out what guests need and want and providing it at a reasonable cost and profit
- Marketing begins with a corporate philosophy that should be practiced everyday—*every* hospitality employee is a marketing and salesperson representing his or her company

Desired or Felt Needs and Wants

- Guests have needs and wants, and when a need is not satisfied a void exists
- An unsatisfied person will do 1 of 2 things:
 - Look for an object that will satisfy the need or try to reduce the need

Desired or Felt Needs and Wants

- Marketing and sales professionals strive to create an awareness of a new alternative to fill a current need through promotion of the product
- A marketing orientation is the philosophy of giving guests great value and exceptional service for a price the guest is willing to pay
 - It begins from the time a guest picks up the phone or goes online to make a reservation and ends with a fond farewell and an invitation to return soon!

Hospitality's Uniqueness of Product

- Marketing is important for the hospitality and tourism industries:
 - Product are perishable—if they are not sold today, they can never be sold
 - Services are intangible—meaning that guests cannot try out the restaurant meal or the comfort of a hotel room until they purchase it
 - The industries are interrelated—meaning that if we were to take a cruise out of Miami, we would probably have to use an airline and ground transportation to get there

Hospitality's Uniqueness of Product

- Marketing is also about:
 - Place (location)
 - Distribution (making the product readily available)
 - Pricing (the cost and profit margins)
 - Product image (how the product is perceived)
 - Promotion (communication to the market via advertising, public relations, and sales promotion)
 - Relationship marketing

Competitive Advantage

- Being different and better than the competition in as many areas as possible
- Sales and marketing professionals stress the importance of selling your uniqueness or “how I’m going to solve your pain”

Internal Marketing

- All associates are marketers
- Internal marketing is about making guests happy and loyal because only happy guests will become loyal
- It takes 3 or 4 times as much effort and expense to attract new guests as it does to repeat a sale to an existing one

Strategic Planning for Marketing

- Identifies the current business of a corporation, the business it wants for the future, and the course of action or strategy it will pursue
- Process of matching the organization to its environment
- Large companies consist of four organizational levels: *Corporate, division, business unit, and product*

Market Demand

- By doing our best to gather all available information, we can guesstimate the demand for a particular product or service
- Hotels assess the demand for accommodation by considering the following:
 - What is the current hotel occupancy in the city, and what is the occupancy of the comparable set of hotels?
 - What kind of hotel is there demand for?
 - Seasonality
 - When are the rooms required?
 - Hotel developers assess the existing market and determine if there is an unmet need, which they quantify in room nights
 - Where are the guests from, and what guest type are they?
 - Newer properties would expect to pull some guests away from existing hotels simply because they are newer

Competitor Analysis

- Analyzing the competition's strengths and weaknesses helps you determine which strategies to use in the *marketing action plan*
- For the purpose of comparison with competitors, marketers use a *comparison matrix* form (see next slide)

SWOT Analysis

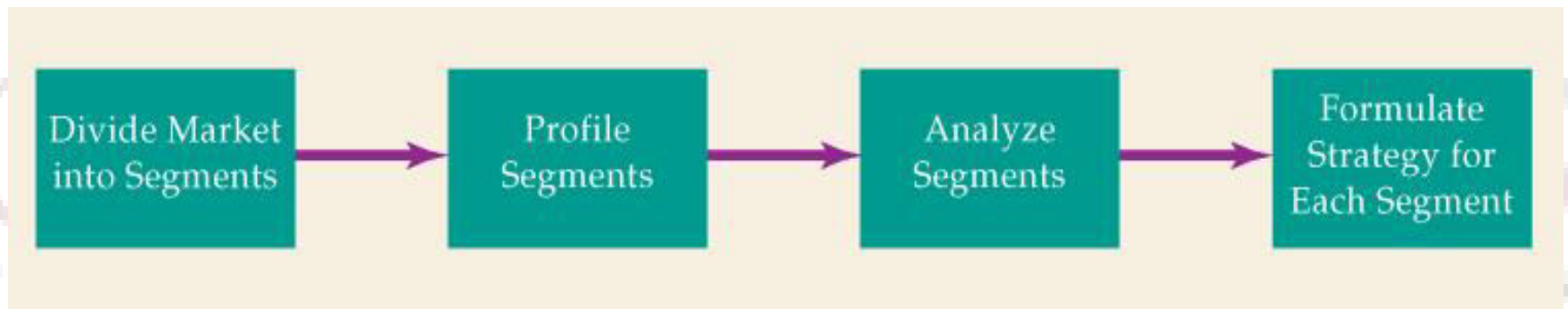
- Strengths and Weaknesses:
 - Factors to consider within the organization
- Opportunities and Threats:
 - Deal with external factors

- Figure 15-2:

	Internal	External
Positive	Strengths	Opportunities
Negative	Weaknesses	Threats

Marketing Segmentation

- The market is divided into different groups with similar characteristics in common, and a profile for each segment is created
- Finally, the company analyzes which of these segments it should and should not target based on the size, profit potential, accessibility, and desire of each group for the product
- Figure 15-3:



Identifying Target Markets

- The next step is to look at the different segments and see which *customer groups* are best (most profitable) to target as guests
 - The selected groups are called **target markets**
 - *Demographic factors include* age, gender, income, social class and occupation, family structure, lifestyle and interests, geography, and ethnicity
 - Other segmentation variables are usage (leisure travel and the like) and family life cycle

Figure 15-4
Illustration of a Target Market



Positioning

- This step determines and influences the target guests' perceptions of the product or service marketed
- Creating a mental image in the mind of the consumer of what your product or service is versus the competition
- Statements include:
 - Better than the competition
 - Different than the competition
 - Opposite of the competition

Brand Marketing

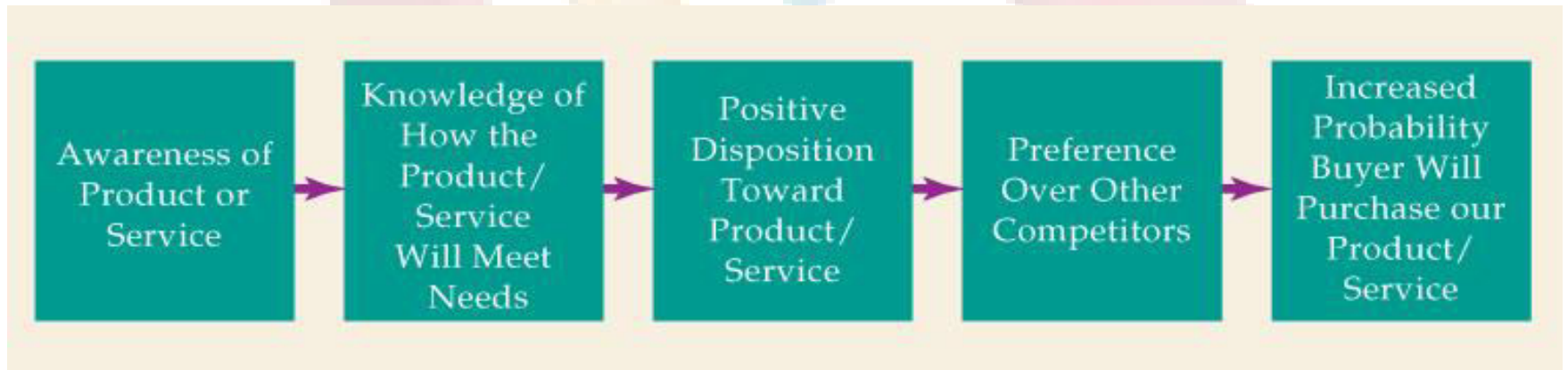
- *Brands* are defined as unique elements that identify a product and set it apart from others
- Important considerations when developing a brand:
 - Easy to remember
 - Associated with value
 - Positive connotation
 - Easily recognized
 - Looks good in color and in black and white
 - Catch the customer's eye
 - Usable, pleasant, and non-offensive
 - Easy to pronounce and spell

Marketing Mix

- Five P's:
 - **Product:** Must suit the wants and needs of the target market
 - **Price:** Usually a lower price has a positive effect on the demand
 - **Place/distribution:** Availability and distribution, including ease of access, traffic flows, and the like
 - **Promotion:** Sales goals will not be obtained unless the consumer is aware of the product's existence (see next slide)
 - **People:** They can make the difference between average and exceptional guest service!

Figure 15-5

Effect Promotion Has on the Buying Process



Emotional Marketing

- The use of words, signs, and/or symbols aimed at soliciting some set of emotions (fear, joy, happiness) from a target audience
- Figure 15–6 Marketing Emotional Appeals:

Affinity Marketing

- Marketing programs sponsored by organizations that solicit “involvement” by individuals who share a common interest and/or activity
- Seeks to get consumers to buy and use a particular product based upon a shared activity or interest
 - I.e., credit card companies

Marketing and Sales Goals and Objectives

- Gives a measure by which progress toward goals can be measured
- Goals are set for the complete enterprise and for each department
- Objectives are the how-to tactics used to meet or exceed the goals

Marketing Plan

- The action plan that outlines the various steps involved to meet the predetermined objectives
- Objectives are established for each key result area and then a strategy or tactic is developed as an action plan for how to meet the objective

Sales

- Sales is an important part of marketing—with sales, the focus is on presenting the product or service in a way to meet guests' needs
- Sales team members use the following techniques to gain business: Prospecting, approaching, presenting the product or service and benefits, handling objections, closing the sale, and follow-up

Trends

- There is a strong potential for growth in terms of hospitality marketing, as a consequence of the pent-up(held in) demand for hospitality and tourism resulting from a lull(slowness) in the economy
- The hospitality and tourism market is becoming even more global
- More companies are realizing the true importance of retaining guests; thus, companies are marketing heavily to those current and previous guests
- The tremendous growth in hospitality tourism marketing and sales over the Internet will continue



The End

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