



UNIT-6

Marketing and Advertising

Learning Outcomes

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

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

Unit 6

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 away from home. Demand for accommodation is a function of travel and tourism. A tourist is often defined as an individual spending at least 24 hours away from home for the purposes of pleasure, holiday, sports, business or family reasons. Tourism is one the major industries today, with over 720 million tourist travelling annually. The annual average growth rate for the industry is estimated to be between 9% to 12% globally. Tourism as a service industry comprises of several allied activities which together produce the tourism product. We find involved in the tourism product development, three major sub industries. They are:

- (a) Tour operators and travel agents;
- (b) Accommodation sector (hotel and catering);
- (c) Passenger transportation.

According to international estimates, a tourist spends 35% of his total expenditure on transportation, about 40% on lodging and food and the balance 25% on entertainment, shopping and incidentals.

The product in this case is not confined to travel and accommodation but includes a large array of auxiliary services ranging from insurance, entertainment and shopping. Demand generation, in addition to the consumer motivation, is also heavily dependent upon powerful persuasive communication both at the macro (country) level and the micro (enterprise) level.

The Hotel Market

The total hotel market, which consists of the total demand for hotel facilities, may be divided into various segments. These segments are determined as per the needs of the people and the means they possess to pay for their satisfaction. The market for the hotel will be served according to what is provided, how it is provided, and for how much. At a managerial level, it is relevant to conceptualise the demand for the hotel sector at both the primary and secondary levels, to be able to assess the requirements on the supply side.

Primary and Secondary Levels of Demand

| | |
|------------------------|---|
| Primary level | <ol style="list-style-type: none"> i. Basic demand which exists for hotel facilities but not being served at present. ii. Displacement demand arising from the clientele for other hotels where the customers' needs are not fully met by the market package offered. |
| Secondary level | <ol style="list-style-type: none"> i. Created demand which does not exist so far, and arising from people who do not normally use hotel facilities, or from people who do not use the hotel facilities in particular area. ii. Futuristic demand which may occur at sometime in the future, due to certain socio-economic or socio-psychological factors or both, e.g., rise in the standard of living and per capita income ('green revolution' areas, new industrial complexes), increase in population, changing social systems and habits, etc. |

Table: 6.1

A new hotel introduced in a particular segment of the hotel market may eventually be able to exploit all these levels of demand. It is essential that there should be substantial basic demand which can be tapped by a new hotel. Displacement and created levels of demand require a period of time and sustained sales effort to realise their potential, whereas, the assessment of future demand relates to the continuing long-term prosperity of the hotel. If the basic demand is absent but if the displacement, created and future levels of demand promise well for an investment appraised on '10 to 15 year basis', the decision to start a new hotel under such circumstances has perforce to be a long-gestation decision.

For accommodation, each segment of the market, together with its primary and secondary divisions, contains some or all of the potential buyers of hotel accommodation, as shown in Table below, which may sometimes overlap. There may well be more types according to the geographical, economic, industrial, and social characteristics of the location of each hotel. Similarly, for food and beverages, each segment of the hotel market contains varied categories of potential buyers of catering services which may also sometimes overlap.

Potential Buyers for Accommodation and Catering Services

| | |
|----------------------|--|
| Accommodation | <ul style="list-style-type: none"> • Transit tourists, passing through the particular location. • Terminal tourists, for whom the location represents end of a journey. • Travelling businessmen. • Visiting personnel, i.e., business or industrial employees for whom travel is an occasional part of their job. |
|----------------------|--|

| | |
|-----------------|--|
| | <ul style="list-style-type: none"> • Organised tours. • Conventions, conferences, workshops, meetings, where the location is pre-fixed by the organisers. • Social visitors, i.e., guests to weddings or other social functions. |
| Catering | <ul style="list-style-type: none"> • Occupant customers staying in the hotel. • Transit or change customers people other than local residents of the areas patronising the hotel either by impulse or intentionally planned for meals, refreshments, etc. • Organisation and societies consisting of members acting in unison. • Local business customers who patronise the hotel due to local industrial or commercial activity. • Meeting and conferences organized by agencies from outside areas. • People on tour who step into the hotel for meals, refreshments, etc. |

Table: 6.2

The Hotel Product

The hotel product has a number of components like accommodation, food and beverage, recreation and health, shops, car rental service, apart from others. But of all these, the accommodation and food and beverage components are the primary ones.

Philip Kotler has identified 5 levels of a 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)

From the above table it is quite clear that at the "Core" level all hotels are alike and the differentiation starts as you start moving up. The accommodation component of the hotel product requires a clear identification of the type of clientele the hotel wishes to attract and serve. Regardless of 'star' categorisation, as customers tend to graduate from one 'star' category to another, accommodation can be either of the luxury type almost regardless of the price, or the economy type providing the essentials of shelter frugally. Between these two there are a variety of accommodation facilities-catering to customer

whose accommodation is paid for; leisure customers who pay for their accommodation; customers who are part of groups either on business or on pleasure. However, once the hotel property has been constructed to serve identified and specific customer segments, the possibility of variation is severely restricted. Admittedly, the economy type property cannot be moved up into a luxury one without considerable expense and time although a reversal from the luxury to the economy class is more feasible and less problematic.

To tide over the above difficulties, hotel architects, the world over, are now designing properties with as much flexibility as possible to make multipurpose adjustable public rooms feasible. In the case of a hotel where such flexibility does not exist, the hotel product decision for accommodation will depend entirely on the accuracy of selling rooms to the right type of customer. On the other hand, the food and beverage component of the basic hotel product offers greater scope for flexibility. Qualitative differentials can be very wide and would range from high class *a la carte* high-price menu restaurants with complete table service to the medium or low-priced menu dining rooms. Capital expenditure is relatively lower- decor, furnishings and fittings can be changed more easily to transform the image of a restaurant or dining room in either way. Availability of room service from either the hotel's own kitchens or from outside is another area of flexibility. It is obvious, however, that resident guests in a hotel know what exactly they are buying in room occupancy and in food and beverage sales. Hence their experience of the hotel product will condition their future relationship with the hotel and the patronage afforded. Table below gives the various ways in which accommodation and food service products can be augmented.

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: 6.3 - **Source:** Francis and Buttle, "Hotel and Food Service Marketing"

Hotel Pricing and Distribution

Pricing

It is difficult for a hotel to exercise differential pricing except for certain specific purpose. These may typically be differentials in tariffs and prices during the peak and lean seasons; group rates; contract rates for airline crew; special conference rates or special concessions to attract customers etc. However, by and large, hotel pricing tends to follow or conform to pricing standards applicable to the particular city area or resort, to competitive hotels, to the amount of traffic being generated in the hotel location, tourist location, international or national conference venue, and so on. Nevertheless, hotel pricing also suffers from a degree of lack of flexibility, although to a lesser extent than that of the hotel product. The depreciated valuation of the hotel property, its financial management efficiencies, credit policies and other factors, specially cost of empty room-nights, fixed overheads, also have a bearing on tariffs and menu prices.

Distribution

Hotel distribution relies on interdependence with other industries serving travellers and tourists such as the transportation industry (airlines, railways, roadways, shipping lines), travel agents and tour operators, national and state tourism organisations, shopping and entertainment providers. In sum, those services which provide certain other facilities to the traveller or the tourist which are bought when accommodation and food are assured. Some interesting features of hotel distribution need critical examination. The first is cooperative distribution which operates in passing on traffic overflow from one hotel to its neighbour, on a reciprocal basis, without affecting regular business with the main intermediaries in the distribution system such as travel agents; tour operators; airlines and special business clientele. The second is the increasing development of franchising. Franchising may take various forms but it basically involves making available to the franchisee (the beneficiary) of a service, system that is designed and controlled for quality

standards by the franchiser. The franchisee gets the advantage of being part of a reservation and sales system which ensures a certain level of business which may not be available otherwise. The franchisee also benefits from the image of the franchiser, professional advice and training provided by the franchiser. In the process, he improves his own operational image and efficiency. The franchiser also benefits as his investment is not required in the franchisee's properties. At the same time, the franchiser's distribution system is expanded and the franchisee is well motivated to succeed in his own business. Hotel distribution is, thus, an important element of the marketing mix.

Communications

Perhaps this element of the hotel marketing mix is the most important one as it is directly responsible for bringing customers to the hotel. Hotel marketing communications are either direct or indirect. The direct communications are through personal selling, advertising, sales promotion and direct mail. Appropriate messages are conveyed to those who are potential buyers of the hotel product and those who directly influence decisions to buy the hotel product. Personal selling of the hotel product is effective when long-term relationship between the hotel and the customer is sought. It is also required where the level of business per customer is likely to be significant. Indirect marketing communications for hotels include public relations and publicity, both of which may and may not form a part of the hotel's marketing communication programme but may function independently. The major elements of the hotel communication mix thus are – mass media advertising, direct mail, sales promotion, public relations, and publicity.

1) Advertising

Hotel advertising is an effective and, generally, a long-term effort to inform the customer about the existence of the property, giving details about the location and types of facilities offered. Advertising is also aimed at influencing the attitude of the customer to bring about his acceptance of the particular service offered. Informative advertising is necessary for a new hotel or a hotel offering new facilities or services which are different from the past. Persuasive advertising is aimed at a more competitive situation..

In advertising, a hotelier is dealing with a non-personal contact with the target audience, unlike sales promotion where the hotelier is aware of the identity of the target. The purpose of advertising is indeed the same as the purpose of communication – it aims to inform and persuade the consumer or the travel trade to change, to influence their attitude towards the advertiser's product or organisation.

Effective advertising not only gains the attention of the prospective guest, advertising will be the first introduction of the area, location and the hotel itself. The success of this introduction will invariably depend upon the impressions made. To ensure that this impression is favourable, all advertising should have the touch of quality or class. A flavour of showmanship and originality in concepts are

required to make advertising efforts effective, distinctive, interesting and compelling. Further, to meet the competition, effective advertising must stand out as superior to competing advertisements, which, in turn, need an effective advertising campaign.

In the hotel industry, planning the advertising campaign is very important as the hotel product has certain unique characteristics: it being highly intangible cannot be exhibited; it is normally purchased in advance and from a distance; since it cannot be transported, it cannot be taken to the market-place. Hence one has to depend on the descriptions and the representations of the hotel product rather than the actual product in the market-place. Additionally, if the hotel product in the market-place can only be promoted on the strength of these descriptions and representations, then its competitive position is a direct result of the quality of those descriptions and representations. Therefore, the advertising campaign should be planned carefully and well in advance.

The rationale behind identifying the target audiences and creating proper message is that there is a need to differentiate marketing communication or advertising approach to different target audiences. Market segments are different because they have different needs, they have different requirements; they want to buy different products or they want to buy the same product, but for different reasons. Hence, while making an attempt to communicate with different target segments, there should be a differentiated communication approach. In communicating with the travel trade a hotel must provide the facts and figures in simple language whereas a consumer may like to listen to evocative language. While communicating with the prospective hotel guest, it is essential to identify psychological motivation and try to motivate the prospective hotel guest through a message which promises a benefit – a benefit that will satisfy the guest's psychological or other needs. The hotel product facilities and services can be advertised against a number of areas, as there are different market segments, as mentioned below:

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

The objective of advertising in hotel industry vary; from image building to immediate sale. One may advertise keeping more than one objective or a mix of objectives in view. Some of the objectives of hotel advertising are given in 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 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, 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, 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, private balconies, etc.
 - Qualitative, e.g., guest room climate control, 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 favourable image of 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 a penetrating knowledge of the consumer's wants and the product's qualities, the hotel or the hotel organisation (or the advertising agency on behalf of the hotel or hotel organisation) has the background to create messages that will interpret the want-satisfying qualities of the product in terms of consumer wants. The advertising message thus becomes a connecting link with the advertiser, with want-satisfying products or services and the potential hotel customer with wants to be satisfied. So there is a need to have a professional approach while designing the specific advertising message.

Therefore, it is essential to know the job which has to be done; to know the hotel product; to know the requirements of potential hotel customers; to know answers to the requirements of the potential customers. The conference buyer, for example, needs certain specific information of particular interest and importance to him. So when a hotelier communicates with the conference buyer through the news media (like press release, etc.) there is a need to differentiate between the communication approach. In case of conference and convention market segment it is essential to provide technical information, facts and figures in its communication. How high your conference halls are? Whether the ceiling is flexible? It is important because if the ceiling is low and the conference buyer wants to have audio-visual presentation that may not be possible.

The conference buyer would also be interested in the configuration of seating arrangement – how many people can see the platform? How many people can see the screen on which some audio-visual presentation may be projected? Information regarding secretarial services, computers, stenographers, typing, simultaneous interpretation, details of technical equipments, audio-visual projector, overhead projector, slide projector, sound amplifiers, microphones, TV sets, CD players, computers etc. would also help a conference buyer in taking decision whether to book a conference in a particular hotel or not.

An advertising copy is still incomplete – it needs more information. The conference buyer is also interested in getting information about the rest of the hotel or hotel organisation, so the advertisement copy must provide information regarding location of the hotel and how attractive it is, whether conference can be held during a particular time of the year or throughout the year, transport facilities, other services, track

record with other conference buyers, prices, etc. In a nutshell, one can say that while advertising it is necessary to remember what your advertising job is, what your hotel product is, what are the requirements of potential customers and what are the answers to the requirements of the potential customer.

Advertising Decisions: In the process of advertising, several decisions need to be taken. The most important is – how much to spend? A common method is to allocate a percentage of the sales revenue, either past or anticipated, for advertising expenditure. This takes no account of the real need for advertising. In fact, it may be essential to advertise heavily when sales revenue is low or in a situation of decreasing demand. Another method is to take an ad hoc decision as to how much the hotel can afford to spend on advertising anticipating additional business. This is a very subjective approach and ignores the problem that advertising may be needed most when the business can least afford it. A third method is to undertake advertising expenditure if the current value of the extra revenue generated will be greater than the cost of advertising. This would be an acceptable decision if necessary information was available as to how responsive the demand was to advertising expenditure. Very few companies can arrive at a sound investment decision approach of this kind towards advertising expenditure. A fourth method is to achieve competitive parity, i.e., in a situation where hotel units have agreed against using price competition, individual units will aim to spend as much on advertising as their competitors do, resulting in an increase in the industry's costs without any corresponding benefit. The fifth method is to develop an advertising budget to achieve a certain set of objectives or tasks. It is in this method that the role of advertising, as part of the promotion element in the marketing mix, can be clearly identified to inform by answering the following four questions.

First, is advertising used to inform or persuade the customer, or is it to consolidate or reinforce the existing customer-acceptance of the hotel? Second, is the information to be conveyed through advertising general in nature or for promoting a special facility or service? Third, is the advertising to reach habitual or impulse buyers, the customer himself or his influencing agent, existing or new customers, local, national or international customer? Lastly, what will be the overall effect of advertising or revenues-in particular, whether a general increase in occupancy or food and beverage sales is expected; alternatively if off-season facilities are to be utilised to be best advantage? If the advertising decision is based on the fifth method, it is possible to select appropriate media – newspapers or magazines, radio/TV or cinema, direct mail or handouts and beam the correct advertising message to the appropriate audience.

2) Sales Promotion

Sales promotion is aimed at generating immediate response in terms of a buying decision. For a hotel which wishes to cash in on sales promotion, the specific part of the business which stands to benefit, i.e., room sales or food and beverage sales, has to be clearly identified and a promotion drive which will bring about the desired increase of sales must be launched. For instance, a hill station hotel which normally has almost empty rooms during winter or offseason may promote its accommodation and

other facilities when a famous winter sports festival is to be held in that area or a national or international conference is to take place or any other special convention or workshop where participating delegates also need relaxation. People who would normally not visit the hill station in winter will do so when presented with such an opportunity.

There are two ways in which one can examine sales promotion. First, schemes can be defined in terms of time, and second, as an ongoing permanent activity/function. Irrespective of these distinctions one can clearly identify three groups of activities under sales promotion: trade promotions; consumer promotions and displays. Trade promotions are schemes which are generally intended to induce or persuade the travel trade or the distribution channel to generate more demand.

The term “travel trade” has been used in its generic form-to refer to all the available distribution channels or outlets to the hotel industry. Trade promotions are, therefore, schemes which are intended to induce or persuade the travel trade to sell more of the hotel product or hotel service and for this purpose a variety of incentives are given.

Consumer promotions are schemes to persuade the consumer, i.e., the potential hotel guest or the user of hotel services, to buy a particular hotel product or service, at a particular point of time. Consumer promotions should be understood as the first definition of sales promotion schemes which are defined in terms of time and are finite.

The third group of activities which include product display and related point-of sale material, i.e., posters, show cards, display units, etc., help keep in perspective the view that one can't obviously display the actual hotel product or service at the point of sale and so one has to depend on the descriptions and representations of the actual product.

Forms of Travel and Tourism Consumer and Trade Promotion Schemes: Hotel promotion, as individual schemes, more often than not are cooperative schemes, i.e., they depend upon one or more of the other sector(s) of the travel and tourism industry. Some schemes can be set up and operated by a hotel but a great deal of promotional schemes available to the hotel industry are dependent on the cooperation of other sectors of tourism and travel industry.

The other reason is to enlarge the awareness of the opportunities available to the different sectors in the industry. In Table 12.6 different types of sales promotion methods have been listed. The list is neither exhaustive nor are the examples given for each type of promotion listed, meant to be exhaustive. These are some of the schemes available to the hotel as well as to the hotel industry, as such. The examples prove that most promotions of the hotel product are cooperative and the industry is dependent on the cooperation of other sectors, namely, airlines, transport operators, 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 terms for specific clients at specific time; e.g., off-peak discounts: discounts for specific departure/hotel stay dates or times, etc. |
| 2. Premium Offers | Special package deals, e.g., three weeks stay for the price of two; family plans; children free if accompanied by parents; special introductory prices, etc. |
| 3. Couponing | Coupons entitling the holder to special terms, e.g., discounts at shopping centres, discounts for petrol, free excursions and sightseeing tours, free use of hotelrecreation facilities, etc. |
| 4. Contests (consumer) | Prizes awarded to consumers winning special contests, e.g., free holdings/stays. |
| 5. Contests (trade) | Prizes awarded to travel trade winning special contests, e.g., free holidays/stays, or other articles, usually products of the destination country concerned. |
| 6. Loyalty Schemes | “X” sum of money off next booking if done within a certain period of time; “Give away” to loyal customers. |
| 7. Trade Incentives/Discounts | Offered to retailers/wholesalers for achieving specified 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 installment payment basis, normally extended by travel trade organisations with bank affiliations– “Travel now, Pay later schemes”, etc. Acceptance of payment by credit card. |
| 10. Cooperative Advertising | Allowance or financial assistance given to a tour operator or travel retailer advertising specified hotel/product. |
| 11. Training Schemes | Free familiarisation 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 | There is a particular pattern in all the commercial hotels around the world, namely, a quiet weekend, because business people go home. How a hotel should go about for generating additional business, because anything extra that one gets is really worthwhile. The hotel or hotel organisation can contact the people to organise fairs, exhibitions, fashion shows, cultural sessions, etc., during |

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| | these days. And one can contact them either personally or through direct mailing. |
| 14. Welcome-cocktail | To generate more demand for “Food and Beverage”, hotels offer the first drink free as part of sales promotional efforts because after one drink the guest may well ask for more and thus give additional business to the hotel. |
| 15. Honeymooners Return Trip | Some hotels give special coupons to honeymooners to come and celebrate their first or subsequent wedding anniversary. This gives an aura and finesse to the hotel. It also ensures permanent customer and future business. |
| 16. Discount for Agents and Airlines’Crew | Travel sales promotional efforts help in developing good relations with the travel trade and may help in getting favourable publicity. |
| 17. Free Ticket for Sound-n-Light show | Some of the hotels give free tickets to their guest for sound and light shows conducted in their hotels. This promotional effort helps in developing and cementing good guest relations. |
| 18. Sun-n-shine Guarantees | Some of the beach resort hotels whose business depends on sunshine can give such type of guarantees to their guests during the 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 get good business. |
| 19. Consumer Contests | Some hotels in collaboration with consumer goods organisations, organise contests for joint promotion. |

Table: 6.4

3) Public Relations

Public relations can never be some kind of special sugar that can be sprinkled or coated on a sour or difficult situation to make it taste sweet or comparatively functionally easy. Public relations, as a marketing communication function, aims to supplement the total communications/promotional effort by helping to create and enhance a favourable image of the hotel or the hotel organisation; and by counteracting any adverse influence that may exist from time to time, as also by creating a proper goodwill for the hotel or hotel organisation. It is needless to say that a well researched and effective public relations mechanism will pay handsome dividends in the long run. At all times, remain genuine and don’t attempt to oversell. Public relations ought to be a sustained ongoing affair and it should be harmoniously integrated into the total promotional effort.

When it comes to operational levels, public relations must be distinguished in terms of a ‘variety of public’ – guests, media professionals, government agencies, community, and employees – which are of interest to the hotel as a unit or the organisation and therefore strategies should be evolved to exercise healthy relations with all such publics.



Fig: 6.1

Guest Relations: There is an obvious public or group which is the customer and this form of public relations is termed guest relations.

Media Relations: Hotels also deal with the media, with the press and with electronic media, in other words, with the mass media. Hotels need mass media either for their own sake because they are opinion leader, also because they influence public opinion, or they want to reach some other group through the media. This aspect of public relations is described as media relations or press relations. This is probably the most important area of the total public relations of a hotel organisation and indeed any organisation in the tourism industry.

Relations with Government Agencies: These are the authorities with whom the best of relations, at various levels, have to be maintained whether they are city authorities, local, state government or central government. They all have a bearing on the operation of the hotel or hotel organisation.

Community Relations: There is also the community within which the hotel operates. This is important from the point of view of a hotel and therefore, there is a need for community relations. The question of community relations is very important for certain hotels that are located in fairly remote areas of the country. Also to those which cater to foreign tourists where there is a very sharp distinction in lifestyles and in the spending pattern of the community within which the hotel operates. In an underdeveloped area of the country, if a luxury resort is created (it may not be luxury from an industrial and technical point of view, but for the people who live in and around that area where the hotel is being built, it is luxury) it is possible that the community may resent it. This factor dictates a need for good community relations.

Employee Relations/Labour Relations: And finally, an important aspect to which a great deal of public relations activity, on the part of a hotel, must be directed; is the group of employees of a hotel. Employees relations or labour relations is very important because the hotel industry is a service industry, an industry in which a large proportion of the labour force comes into direct contact with the customers; an industry which depends on the personalised and qualitative aspects of the product. Hence, unless one can generate the fullest enthusiasm, highest loyalty, high sense of motivation, and pride in the organisation, one's effort to create consumer satisfaction may very well be frustrated. So another area to exercise good public relations is employee relations.

There can be a wide variation in the objectives of PR from one organisation to another. The nature of the relationship between an organisation and public varies, depending on factors such as the size of the organisation and community within which it operates; the product; types of services or faculties offered; the type of target market segment, etc. Some of the public relations activities all of which may not be applicable in case of a hotel are as follows:

- Listening to the public to determine their attitude about the organisation and its policies, programmes, products, personnel and practices.
- Satisfying hotel customers or removing guest dissatisfaction through prompt handling of complaints, correcting the causes of the complaint or any irritants and making need based adjustments in the policies, practices or products (as a package of services) of the hotel organisation.
- Establishing a customer or travel trade correspondence function to answer enquiries about any matters regarding the hotel or hotel organisation.
- Getting feedback and creating/developing promotional material, advertising appeal, or total advertising campaigns, sales letters, direct mail material, etc.
- Training of employees to provide prompt, pleasant, courteous, accurate and friendly service to anyone who contacts the hotel organisation personally, on phone or through correspondence.
- Assisting the managers and employees of the various departments of the hotel in improving their own communication and public relations efforts so that there is an air of efficiency.
- Working with the personnel in advertising (can be the advertising agency), sales promotion and personal sales to create consistent, effective, honest and persuasive messages for all of the hotel or hotel organisation's publics.
- Establishing open communications with other organisations, government agencies, travel agents, tour operators and community leaders on matters relating to the organisation and its economic, environmental and social impact on the country, local community, and individual consumers.
- Conveying to society that the organisation is listening, reacting, adjusting, and progressing in its attempts to promote optimum satisfaction to its diverse publics.

These are only few samples of the kind of objectives public relations personnel have established in a hotel or a hotel organisation. Some of these objectives may appear to be quite broad in their content and scope for operational purposes. If, however, a constant and in-depth attempt is made, these can help to a great extent in promoting the hotel package of product and service.

4) Publicity

Another aspect of marketing communication is publicity which is the promotion not necessarily created by the organisation and usually generated by the media. Thus, publicity is not a marketing function like marketing research, product planning, distribution system, advertising, sales promotion, public relations, etc., which are the marketing activities/techniques. Publicity is rather an objective of public relations as through good public relations one tries to get publicity and generate publicity.

News media in every community do look upon industries, hotels and other business for news. This occurs because every enterprise has an important and even direct bearing on the social, economic and sometimes political life of the community. Newspapers present news of public interest to the readers.

Bad publicity is mostly the result of lack of information and often an indifferent attitude towards the press. Hence newsworthy information should be made available to the press. It is in the interest of the organisation to supply this information because it shows a willingness to cooperate. An indifferent attitude may unfortunately result in damaging coverage through an article, review or appraisal of a situation or condition; or even an unfavourable report that will adversely affect the image and the business of the hotel. A willingness to share the news with the media will help a great deal in handling those situations where wrong published news would affect the hotel or hotel organisation.

Extended Marketing Mix for Hotels

The first element of the extended marketing mix for services is physical evidence which includes servicescape as well as other tangibles. Tangibles are those objects and physical clues which might represent the service. For example dress code of staff, etc. The servicescape relates to the setting in which the service is delivered. Servicescape issues are particularly significant in all services where “customer goes”. (You may be aware that services can be classified into three broad categories. First are those service organizations where customer goes. Like, we go to a hotel, hospital, bank, restaurant, health club, etc. The second is those service organisations which go to the customer. For example, an AMC provider goes to the customer to service the computer hardware. The third type of service organisations are those in which neither the customer goes nor the organisation and both transact from the distance, like a mobile phone service provider, credit card, insurance services etc.). From Table, we can identify how these servicescape elements and physical evidences are relevant in the hospitality industry.

Services cape and Other Tangibles in a Hotel

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

Table: 6.5

The second element of the extended marketing mix is people. In the service organisations both internal marketing and selection of the right target customers are important. Internal marketing and management of employees are also important in hospitality sector. It is being said that in hotel organisations the room to employee ratio is 1:2. This means, a 100 room hotel may have about 200 employees. It is likely that the service may suffer if this ratio is not maintained. Some hotels have identified alternate options to reduce the labour cost. For example, most hotel guests expect bed-tea and, therefore, room service staff requirements are very high. Some hotels provide electric kettle, tea bags, sugar and milk powder in the room itself, and they find that their costs are much less than hiring people to deliver bed-tea. Similarly other areas are being identified for reducing the man-power costs while maintaining the quality of services. Integration of information technology is one such method.

The third element of extended marketing mix is the service delivery process. There can't be any compromise on such issues and we have seen that in some of the excellent properties (hotels), they do

not attract many customers because of poor service delivery. On the other hand, small and ordinary properties which are able to compete very well in the market place only on the efficiency in service delivery and high quality.

Marketing Consortium or Cooperatives

There is need for cooperation among the small and medium independent hotel operators due to increase in the pressure put on them by chains and also by the travel and tourism industry as a whole – like, airlines getting into hotel and travel trade; tour operators getting integrated, etc. So, the marketing of the hotel product has become a problem for the smaller hotel operators. The solution to this problem perhaps lies in cooperative marketing efforts which could be either ‘group marketing’ or ‘area marketing’.

In ‘group marketing’, the basis of cooperation is similarity in standards – the standards may be according to ‘Star’ categorisation, similarity of services, similarity of attractions, etc. In group marketing, one way is for hotels to cooperate throughout the country thus offering a total India to a budget tourist or group of tourists.

The rationale behind getting together is naturally ‘gain’. A small operator operating a small hotel independently in a town cannot really afford to spend even on the minimum promotional effort that is required of a hotel (assuming that particular hotel is not in a monopoly situation), on the other hand, if hotels join together they can afford to send their sales representative to the travel agents to sell their hotels abroad. Further, this cooperation can be extended to referrals and recommendations also.

The other form of cooperation for hotel marketing is called ‘area marketing’. Area marketing could be a ‘cooperative’ of independent hotels in an area or destination – all hotels of the area get together and attempt to promote the market or the area together, irrespective of the difference in standards or quality of the hotels. The effort is to attract tourists to a particular destination, which could be a location, a city, a resort, a state 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*