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## UNIT 12 TOURISM AND HOSPITALITY SERVICES

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### Objectives

After going through this unit you should be able to :

- describe the nature of tourism as a service industry and identify the participants in the tourism process,
- discuss the factors governing tourism supply and demand,
- apply the various segmentation criteria to the tourism market,
- identify the levels of demand for hotels, and
- discuss the components of the hotel marketing mix.

### Structure

- 12.1 Introduction
- 12.2 Factors Governing Tourism Demand and Supply
- 12.3 Segmentation in the Tourism Market
- 12.4 The Hotel Market
- 12.5 The Hotel Product
- 12.6 Hotel Pricing and Distribution
- 12.7 Communications
- 12.8 Extended Marketing Mix for Hotels
- 12.9 Marketing Consortium or Cooperatives
- 12.10 Summary
- 12.11 Self-Assessment Questions
- 12.12 References and Further Readings

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### 12.1 INTRODUCTION

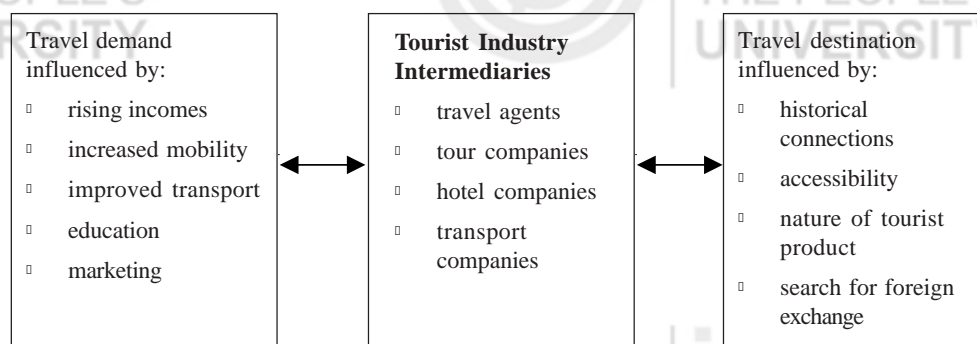
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The tourism and hospitality industry is identified by the products which are needed to satisfy the demand for travel, accommodation, food and beverage away from home. Demand for accommodation is a function of travel and tourism. A tourist is often 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 traveling 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 (hotelling and catering); and (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

participants in the process of this service business can be illustrated by the Figure below (Figure 12.1).

**Figure 12.1: Element of International Tourism Industry**



**Source:** John Lea, "Toursim and Development in the Third World", Routledge, Chapman and Hall Inc. 1991

Some of the pointers to nature of tourism as a service industry are:

- 1) Tourism accounts for nearly 6% of world trade.
- 2) Bulk of the tourism business is located in Europe and North America, with 1/8 of the market share being shared between the other world regions.
- 3) The highest growth rate in tourism in recent years has been in the third world
- 4) Tourism, like most pure services, because of the characteristic of inseparability, exemplifies a product which cannot be sampled before purchase, the prospective consumers have to travel to a foreign destination in order to consume the product. Technology today provides the opportunity of some assessment of sorts, through net generated images and rich information. While these do provide some basis for evaluation, only the actual transaction of the service act would lead to realistic assessment of the product.
- 5) The major players in the tourism market include a number of intermediary companies. Some of them transnational in character, some of them exhibit vertical integration, both backward and forward, acquiring interests in all major sectors in this service industry. Quite common is the existence of loose coalitions between intermediaries so that a more complete range of services can be offered to the consumer.

## 12.2 FACTORS GOVERNING TOURISM DEMAND AND SUPPLY

Because of the unique nature of the tourism product-it being an amalgam of the physical characteristics of a destination and the infrastructural as well as managerial efforts of the promoter; the determinants of tourism demand emanate from both individual; tourist motivations and the economic, social and technological factors. Not quite so apparent is the creation of tourism demand as result of sophisticated tourism promotion.

The economic, social, and technological determinants of tourism demand include high and rising incomes, increased leisure time, good-education, new, cheaper and faster modes of transport. Some of the important factors are discussed here.

**a) Income Levels**

In the last 30 years, disposable incomes around the world have shown upward trends, thus allowing more money for activities like leisure travel. Smaller families have meant higher allocations per person in family. More and more women are entering the work force and in real terms the cost of the travel has fallen. The dramatic rise of tourism in the last 50 years can be attributed in a large measure to the combined effect of more leisure time and rise in both real and disposable incomes.

**b) More Leisure time**

Increasing unionization of labour right from 1930 onwards has reduced the number of working hours per week. Changing managerial orientations towards human resources have increased the level of pay and paid vacation time in most developed countries. Added to that is the component of social tourism, in eastern European countries where the state often pays for the cost of holiday for certain classes of employees. All this has resulted in a larger number of people having longer periods of leisure which could be allocated to travel.

**c) Mobility**

Better transportation and communication services have made the world a smaller place, and have brought both exposure and awareness of distant lands to large sections of potential tourists across the world. Faster modes of travel have cut down on travel time, making it easier for people to economically plan and execute trips abroad.

**d) Growth in Government Security Programmes and Employment Benefits**

The growth in government security programmes and well entrenched policies of employee benefits mean that quite a large number of families may have long term financial security and may be more willing to spend money for vacations.

**e) Growth of Business**

Business travelers have always contributed to a large extent to the tourism traffic. The increasing volume of transnational business and the attendant international travel has meant a spurt in the tourism business. Business travel is in fact such an important segment of the tourism market that many international airlines and hotel chains have targeted it as their key area of operation, developing a whole range of services to cater to the needs of the business travelers.

**f) Tourism Motivation**

Even if the people have the time, the money and the mobility to travel, tourism will not occur unless people have the motivation to take a trip. Motivation to travel may spring from a variety of needs. A variety of typologies developed for the tourists have classified tourists as those wanting to satisfy need for status and self-esteem, need for recognition as well as the need to know and understand, and the need for aesthetics.

Consumer may know what they want but are frequently unaware of the need that underlines that want. A couple may want a winter cruise but may not be able to decipher why. All too often tourism marketing is focused on advertising to the want and not addressing the underlying need. If such needs can be established and promoted, the result would be a more effective marketing effort. For example the couple who want the winter cruise may feel that they, on their return will be the envy of the entire neighbourhood (need for status) or a person may feel that he would like to see a monument and its surroundings for himself in order to truly appreciate its beauty (need for aesthetics). If such underlying motivation can be unearthed, and the extent measured, it would be possible to design tourism effort more effectively.

A clue to the motivations regarding travel, apart for travelling for business is provided by the tourist typologies, which classify tourists on the basis of reasons for travel. Valerie Smith gave an interactive typology of tourists stressing the large variety of tourists and their behaviour at a destination. According to her, tourists can be classified into the following seven demand categories:

- i) **Explorer:** Very limited in number, these tourists are looking for discovery and involvement with local people.
- ii) **Elite:** People who favour special, individually tailored trips to exotic places.
- iii) **Offbeat:** These are filled with a desire to get way from the usual humdrum life
- iv) **Unusual:** Visitors who are looking forward to trips with peculiar objectives such as physical danger or isolation.
- v) **Incipient Mass:** A steady flow, travelling alone or in small organized groups using some shared services.
- vi) **Mass:** The general packaged tour market, leading to tourist enclaves abroad.
- vii) **Charter:** Mass travel to relaxation destinations which incorporate as many standardized, developed world class facilities as possible.

The interesting fact is that each of these categories has a corresponding range of impacts on the host society and destination, the more intensive effects, progressively, being felt in each category down the list.

Erik Cohen has suggested a cognitive normal typology to describe what travel, or a visit means to different people. Thus tourism could be :

- i) **Recreational:** One of the commonest forms, the objective of travel here is to relieve the tensions and strains of work, involves no deeper significance.
- ii) **Diversiory:** When the visit is a true escape from the boredom and routine of home life.
- iii) **Experiential:** The tourist here is a modern pilgrim looking for authenticity in the life of other societies because he has seemingly lost it in his own.
- iv) **Experimental:** When the tourist wants to experiment with lifestyles other than his own.
- v) **Existential:** The type describes a tourist who actually acquires a new spiritual centre as a result of the travel experience.

A different way of looking at tourists is by analyzing them psychographically. Plag felt that psychographically all tourists can be viewed as being spread along a continuum. At one end are allocentric tourists who want an independent vacation experience and at the other end are psychocentrics who become part of the mass tourism market. According to Plag, different type of tourists are attracted to different tourist destinations depending upon their position between the two extremes of the continuum. The new destinations generally appeal to the small number of allocentric adventurous tourists, who prefer to fit in the local culture and consequently make few demands. As the destination gains popularity, it loses its charm for the allocentric who moves away to untouched locales. The destination draws most of its tourists from the midcentric section now. As the destination gives way to larger and larger number of arrivals, it goes through another change and becomes dependent upon foreign investment and manpower. The psychocentrics now feel at home in such place, as it



offers a range of facilities and services “just like back home”, which incidentally change its identity from the natural geographic and social locales which initially lured the allocentrics.

Generalisations like these help tourism marketers to view tourism from the perspectives of both the tourists’ personal motivations (what does it do for me) and the host society. There is, for example, evidence to show that the aspirations of western tourists (comprising a major chunk of tourism traffic today) may not tally with the priorities held by third world host countries for the development of their industry.

Some governments may wish to maximize income from the industry by encouraging mass tourism with a minimum of local contact (as in case of beach resorts in Mexico). Others may wish to make their tourist trade upmarket to gain the same benefit from a smaller number of top spending investors (as in the case of Bali) while still others may want to encourage mass tourism with maximum visitor-host interaction by encouraging the use of village accommodation and hotels.

### **The Tourism Products and the Supply Factors**

The supply factors, as the mix of destination, facilities and services is usually called, can be broadly classified into five broad types.

- a) **Attractions:** These may be natural (land forms, flora, fauna) or man made (historic or modern) or by reason of cultural or sociological destinations (music, art, folk lore).
- b) **Transport:** Tourism growth is closely related to the supply and extent of development in transport systems. Certain third world destinations and certain locations within these countries are rendered in an advantageous position, by easy access to the world air routes.
- c) **Accommodation:** A critical component of the supply factor, accommodation can be further divided into commercial sectors (hotels, guest houses, holiday camps) and private residences or even camping/canvassing sites.
- d) **Support and auxiliary services:** Cover a large array of supporting services such as shops, restaurants, banks and medical centres.
- e) **Physical and communication infrastructure:** To make available the facilities noted above, the infrastructural requirements needed are covered under this head. Examples are roads, airports, electricity, sewage disposal and so on. These are generally provided by government because of high capital costs.

## **12.3 SEGMENTATION IN THE TOURISM MARKET**

The tourism market can be segmented by using variables like: (a) age groups; (b) number of trips taken per annum/season; (c) income and education; (d) purpose of the trip. In contrast to the first three the last variable i.e. purpose of the trip has been fairly extensively used by the major players in the tourism industry – hotels, tour operators and travel agents, and airlines.

Using this criterion segments have been identified as travel for business, vacation, convention, personal emergencies, visits to relatives and other types. The different elements in tourism marketing mix are then tailored to suit the different demand elasticities of these segments. Table 12.1 gives an idea of the tourism market as segmented by purpose of travel, along with their major market characteristics. Other bases sometimes used to segment Tourism Market are:

Table 12.1: Some Major Tourist Segments and their Main Marketing Characteristics

Marketing Characteristics	Main Tourist Segments		
	Holiday Tourists	Business Tourists	Common Interest Tourists
1. Typical Destination	Resort-orientated	Big City	Visit friends, relatives, education, pilgrimage
2. Seasonality	High, marketing mix can assist however in spreading demand levels	No seasonality	Partial seasonality
3. Length of Stay	Could be influenced by promotion/communications	Normally short and cannot be prolonged by advertising	Prefer long stay. This will be prolonged if the costs of additional stay are 'reasonable'
4. Mode of Transport	Varied mode(s) of transport. Time spent on the way to destination is part of the holiday or package tour.	Airplane invariably. Objective is to reach the destination as soon as possible	The cheapest mode of transport
5. Hotel Accommodation User	Yes. Normally at un-expensive hotels	Yes, normally expensive hotels	Only to a very limited degree
6. Requires Entertainment	Very much so. Normally the entertainment is part of the tourist package.	Yes, but to a limited degree	No
7. Price Sensitivity	Very sensitive (high price elasticity of demand)	Low price elasticity of demand	Sensitive
8. Role of Advertising/ Marketing Communication	Very important	Rather limited	Quite important, particularly sales promotions are important
9. Tour Package(s) Importance	Of great interest and demand	Of no appeal at all	Limited appeal

**Source:** Meidan A, "The Marketing of Tourism in Marketing in Services Industries", Ed. Lovelock, Prentice Hall Englewood Cliffs N.J.

a) **Benefit Segmentation:** Based on the realization that different tourists seek different benefits from the tourism experience, benefit segmentation consists of identifying the benefits that the tourist might be looking for in a given product class, identifying the kind of tourist who might be looking for each benefit and defining the tourist destination which come closest to delivering each benefit. The objective here is to find sizable groups of people all seeking same benefits from a tourism product. Once different benefit segments have been identified and grouped, each segment can then be measured in terms of volume of consumption, frequency of consumption and possible growth prospects.

b) **Psychographic Segmentation:** Using lifestyle and personality variations among consumers, psychographic segmentation seeks to determine variance in consumer demand for tourism and then tailor or package the product to these demands. For example, travel agencies and tour operators market differently to ordinary families seeking a relatively cheap summer holiday than to swingers (young unmarried, fun-loving people seeking 'up-to-date' destinations and hedonistic living)

c) **Distance traveled:** As a generalization, long distance travelers comprise the larger and more profitable segment in the tourism market while nearer travelers may be seen as representing the low margin high traffic consumer groups. Marketers depending upon their marketing objectives and the need to balance margins and volumes, use differential marketing mix to attract both segments.

## 12.4 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.

**Table 12.2: Primary and Secondary Levels of Demand**

<p><b>Primary level</b></p>	<ul style="list-style-type: none"> <li>i. Basic demand which exists for hotel facilities but not being served at present.</li> <li>ii. Displacement demand arising from the clientele for other hotels where the customers' needs are not fully met by the market package offered.</li> </ul>
<p><b>Secondary level</b></p>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

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 12.3, 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.

**Table 12.3: Potential Buyers for Accommodation and Catering Services**

<p><b>Accommodation</b></p>	<ul style="list-style-type: none"> <li>▫ Transit tourists, passing through the particular location.</li> <li>▫ Terminal tourists, for whom the location represents end of a journey.</li> <li>▫ Traveling businessmen.</li> <li>▫ Visiting personnel, i.e., business or industrial employees for whom travel is an occasional part of their job.</li> <li>▫ Organised tours.</li> <li>▫ Conventions, conferences, workshops, meetings, where the location is pre-fixed by the organisers.</li> <li>▫ Social visitors, i.e., guests to weddings or other social functions.</li> </ul>
<p><b>Catering</b></p>	<ul style="list-style-type: none"> <li>▫ Occupant customers staying in the hotel.</li> <li>▫ 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.</li> <li>▫ Organisation and societies consisting of members acting in unison.</li> <li>▫ Local business customers who patronise the hotel due to local industrial or commercial activity.</li> <li>▫ Meeting and conferences organised by agencies from outside areas.</li> <li>▫ People on tour who step into the hotel for meals, refreshments, etc.</li> </ul>

## 12.5 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, 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 12.4 below gives the various ways in which accommodation and food service products can be augmented.

Table 12.4: 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
Room service	Order-taking table staff
Standard of housekeeping	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.	Fiber /calorie information
Cleaning/laundry	Provision of doggy-bags
Courtesy care	Function-catering facilities
Willingness to bill later	Quality of table appointments
	Entertainment
	Privacy / discretions

**Source:** Francis and Buttle, “Hotel and Food Service Marketing”

### Activity 2

Compare the product mix of a city hotel with a resort hotel. Also identify those services which may create a competitive differentiation for both types of hotels.

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## 12.6 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.

**Activity 3**

Identify the role of a travel agent in marketing hotel services airlines.

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**12.7 COMMUNICATIONS**

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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 or 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 12.5.

**Table 12.5: Objectives of Hotel Advertising**

- 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 off-season 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 which 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.

**Table 12.6: 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 hotel recreation 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 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.

#### Activity 4

Identify how important it is for a hotel located at a Hill Station to use “Promotions” during off-season. Also identify the possible sales promotion schemes it can offer.

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### 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.

**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 their 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.

## 12.8 EXTENDED MARKETING MIX FOR HOTELS

The conceptual framework of the extended marketing mix, as applicable to services has been discussed in Unit 7. Let us see how these concepts are applicable in the hospitality sector.

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 organisations where customer goes. Like, we go to a hotel, hospital, bank, restaurant, health club, etc. The second is those service organisations which go the customer. For example, an AMC provider goes to the customer to service the computer hardware. The third type of service organisation 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 12.7, we can identify how these servicescape elements and physical evidences are relevant in the hospitality industry

**Table 12.7: Servicescape and Other Tangibles in a Hotel**

Servicescape	Other Tangibles
<p><b>Facility exterior</b></p> <ul style="list-style-type: none"> <li>Exterior design</li> <li>Signage</li> <li>Hotel gate area</li> <li>Landscape</li> <li>Parking</li> <li>Surrounding environment</li> </ul> <p><b>Facility interior</b></p> <ul style="list-style-type: none"> <li>Interior design and equipments</li> <li>Lobby and other waiting areas</li> <li>Interior of rooms</li> <li>Room size</li> <li>Types of specialty Restaurants</li> <li>Pool area</li> <li>Layout of the various facilities</li> <li>Air quality/temperature</li> </ul>	<ul style="list-style-type: none"> <li>Business cards</li> <li>Stationery</li> <li>Billing statements</li> <li>Reports</li> <li>Employee dress</li> <li>Uniforms</li> <li>Brochures</li> <li>Internet/Web page</li> </ul>

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 cattle, 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.

#### Activity 5

- a) Compare the servicescape and tangibles of two hotels in your city; one should be at the higher end and the other on the lower.

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- b) Also study the relative importance of those aspects in marketing hospitality services.

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### 12.9 MARKETING CONSORTIUM OR COOPERATIVES

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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.

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## 12.10 SUMMARY

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Tourism and Hospitality is one of the major industries today. This unit explains you the various marketing aspects related to tourism and hotels. The unit began with an understanding of various elements of international tourism industry and the factors governing demand and supply. You were also explained the major tourist segments and their main marketing characteristics. Subsequently marketing issues related to hotels have been discussed. Some of the key decisions relating to hotel marketing are: the products, the price or tariffs, distribution and marketing communication. Just as the *chef* prepares varied and tasty dishes with the same basic ingredients, the marketer can also vary the quantum and proportion of the elements of the marketing mix to achieve appropriate marketing goals and sales targets. A hotel where the product is already designed and fixed, one cannot change the prices quite often and the distribution is limited to a few selected outlets, it is marketing communication which is the most significant component of the marketing activity. Although the various marketing communication activities are undertaken separately, it is necessary to undertake an interrelated approach so that messages conveyed through personal selling, advertising, sales promotion, public relations and publicity are not at cross-purposes. These may tend to confuse rather than clarify the single important communication of the hotel, which is the product the hotel offers to the customers it wishes to serve on terms that are both acceptable to the customers and economically viable for the hotel. In the ultimate analysis, the marketing communication effort generates a conviction and confidence whether the hotel is worth patronising or not. It is, therefore, difficult to assess a marketing communication programme in terms of sales and revenue of the operating departments, unless the trends of such sales and connected transactions are monitored carefully over a period of time, especially in these days of competition.

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## 12.11 SELF-ASSESSMENT QUESTIONS

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1. Describe the main participants in the international tourism process and discuss the factors responsible for growth of tourism industry.
2. What is a hotel product? Identify the support and facilitating services for a business hotel in a metropolitan city.
3. Do you think that the concept of marketing mix is applicable to the hotel industry? If yes, how?
4. Explain the distribution strategy you would follow for a budget hotel located at a popular hill resort.
5. Recall your experiences of staying in a particular hotel more than once. Did the "Heterogeneity of Service", each time you visited, affect your satisfaction levels? Would you recommend some practical tips for standardisation? Also identify the marketing communication mix of the above hotel and recommend improvements in it.

## 12.12 REFERENCES AND FURTHER READINGS

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