NATIONAL OPEN UNIVERSITY OF NIGERIA

Department of Agricultural Economics and Extension

Programme: Hospitality and Tourism Management

COURSE CODE: HMT 507

COURSE TITLE: HOSPITALITY AND TOURISM MARKETING

COURSE UNITS: 2 UNITS

HMT 507

HOSPITALITY AND TOURISM MARKETING

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HTM507   COURSE GUIDE

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Introduction

Hospitality and tourism marketing.is a two unit degree course available to all students offering agriculture and agriculture related courses at the Nation Open University of Nigeria.

What You will Learn in this Course

This course is divided into six modules, which are further subdivided into units. This course guide explains what the course entails. What course materials you will be using, as well as some general guidelines for how much time you should spend on each unit of the course in order to complete it on time. It also provides guidance for your tutor marked assignment (TMA), which will be available in the assignment file. Please come to those tutorials. This course will teach you the fundamentals of hospitality and tourism marketing.

Course Aim

The course aim to provide students with an understanding of the field of hospitality and tourism marketing in order to prepare them for future careers in the hospitality and tourism industries.

Course Objectives

The course has a set of objectives to achieve the stated goals, which are laid out as intended learners' outcome under each unit. Before studying the unit, you should read these intended outcomes. After completing this course, you should be able to explain:

- Basic concepts of hospitality market
- Theory of hospitality marketing
- Hospitality marketing mix

- Hospitality service marketing

- Tourism and Hospitality Marketing Principles

- Characteristics of Tourism and Hospitality Marketing

- Understanding the Tourism and Hospitality Market

- Tourism and hospitality marketing research

- The marketing research process

- Tourism and hospitality marketing planning

- Tourism and hospitality marketing process

- Analyzing the internal environment

- Analyzing the External Environment

- Promoting tourism and hospitality products

- Advertising tourism and hospitality products

- Digital marketing in tourism and hospitality

- Platforms of digital marketing in tourism and hospitality

- Impact of culture on production and delivery of hospitality products/ services

- The role of selling and sales management in marketing

- Selling theories

Working through the Course

This course requires you to devote a significant amount of time to reading and studying the materials. Each unit contains self-assessment exercises for this course, and you will be required to submit assignments for assessment purposes at various points throughout the course. There is

a final examination at the end of this course. As a result, I recommend that you attend the tutorial sessions so that you can compare your knowledge with your colleagues.

Course Materials

You will be provided with the following materials

· Course guide

· Study units

· References

· Assignments

· Presentation schedule

Study Units

Module 1 Introduction to hospitality marketing and its marketing mix

Unit 1 Basic concepts of hospitality market

Unit 2 Theory of hospitality marketing

Unit 3 Hospitality marketing mix

Unit 4 Hospitality service marketing

Module 2 Principles and characteristics of tourism and hospitality marketing

Unit 1 Tourism and Hospitality Marketing Principles

Unit 2 Characteristics of Tourism and Hospitality Marketing

Unit 3 Understanding the Tourism and Hospitality Market

Module 3 Marketing research and planning of tourism and hospitality

Unit 1 Tourism and hospitality marketing research

Unit 2 The marketing research process

Unit 3 Tourism and hospitality marketing planning

Unit 4 Tourism and hospitality marketing process

Module 4 Marketing environment, promotion and advertisement of tourism and hospitality

Unit 1 Analyzing the internal environment

Unit 2 Analyzing the External Environment

Unit 3 Promoting tourism and hospitality products

Unit 4 Advertising tourism and hospitality products

Module 5 Digital marketing, impact of culture and sales management on production and delivery of hospitality products/ services

Unit 1 Digital marketing in tourism and hospitality

Unit 2 Platforms of digital marketing in tourism and hospitality

Unit 3 Impact of culture on production and delivery of hospitality products/ services

Unit 4 The role of selling and sales management in marketing

Unit 5 Selling theories

Text Books and References

Each unit contains list of textbooks for references.

Assessment

This course's assessment consists of two parts:

a) The Tutor Marked Assignment (TMA)

b) The end of course examination.

Tutor-Marked Assignment

The TMA is the course's continuous evaluation component. It accounts for 30% of the overall grade. Before you may appear for the final exam, your facilitator will offer you four TMAs to complete.

Final Examination and Grading

This examination concludes the course evaluation. The exam will account for 70% of the total score. The time of the examination will be communicated to you.

Summary

This course aimed to provide you with fundamental principles for studying hospitality and tourism marketing.

MAIN CONTENT

MODULE 1 INTRODUCTION TO HOSPITALITY MARKETING AND ITS MARKETING MIX

Unit 1 Basic concepts of hospitality market

Unit 2 Theory of hospitality marketing

Unit 3 Hospitality marketing mix

Unit 4 Hospitality service marketing

UNIT 1   BASIC CONCEPTS OF HOSPITALITY MARKET

Unit Structure

1.1   Introduction

1.2   Learning outcomes

1.3   What is a market?

1.4   Market demand

1.5   Market supply

1.6   Categories of demand

1.6.1   Negative demand

1.1   Introduction

This section outlines the fundamental concepts of the hospitality market, including how demand and supply impact the market.

1.2 Learning outcomes

After completing this chapter, you should be able to:

- Define important marketing concepts and comprehend the 'marketing idea'

- Differentiate between market supply and market demand

- Identify the different categories of market demand in tourism and hospitality industry

Self-Assessment Exercises 1

1. Define a market

2. What is another word for "market supply" in the hospitality industry?

1.3 What is a market?

A market is a gathering place where people may purchase and sell produce. It consists of groups of individuals who have similar needs and desires (current and future customers or consumers), as well as firms that attempt to serve the consumers' needs and desires better than similar industry. Needs range from the most fundamental survival demands-food, shelter, and safety – to far more sophisticated social needs like belonging and acknowledgment. Wants are the many ways in which people choose to meet their wants.

1.4   Market demand

Market demand is defined as the aggregate procuring strength of the people purchasing a thing (or service). Market demand is often estimated using two criteria:

1 The quantity sold, reflects the number of persons that purchased the product or service; this is referred to as the volume.

2 The amount of money that customers do pay for the goods is referred to as its value.

Individuals can satisfy comparable wants in a variety of ways. Because not all people prefer similar set of advantages, sub-markets, or market niches, emerge inside the larger market. The

budget, mid-market, and luxury market segments in hospitality sectors reflect various bundles of features desired by different groups of clients. The volume and value of market sectors can rise or shrink over time, depending on a variety of variables.

1.5   Market supply

Market supply, also known as market capacity in the hospitality industry, refers to the quantity of guestrooms and hotels in a certain location. The quantity of hotels and suites is rising as new hotels or bedroom additions are developed, boosting market capacity. Market supply in the hospitality sector is frequently classified into the same themes as market demand; hence, the luxury, mid-market, and budget classifications are used to define the various sorts of operations supplying those market segments.

Other classifications for market supply in hospitality industry include:

- Hotel and restaurant ratings from tourist boards, driving associations, and other organizations. For instance, star ratings
- Reason for trip (leisure or business)
- Specialized markets such as conferences and adventure holiday
- The quantity of industry capacity and the degree of market demand are critical factors behind profit making in the hospitality industry:
- When market demand is constantly strong and industry capacity is low, the hotel sector should be profitable and functioning at full capacity.
- When market demand varies and industry capacity is large, the hotel sector will operate in an extremely competitive environment, with profits fluctuating.

Self-Assessment Exercises 2

1. The objective of marketing is to generate demand, TRUE or FALSE?

2. State the categories of market demand in hospitality

1.6 Categories of demand

Demand and marketing response are classified into eight groups.

1.6.1 Negative demand: It exists when customers reject a product — For instance, an undesirable food or beverage offering. Marketing's response is to generate demand by informing clients about the product's positive attributes or benefits.

1.6.2 Where there is no demand: The objective of marketing is to generate demand. Raising awareness of a product's positive characteristics through public relations and advertising efforts will aid in informing and persuading the clients to buy the product.

1.6.3 Latent demand: It indicates that demand would occur if a product/service to suit customer wants was accessible. Domestic short holidays as a hotel offering originated in response to consumers' increased income and additional leisure time.

1.6.4 Where demand is falling: The goal is to boost demand. This can happen when a product or service begins to lose its attraction. Marketers must investigate why the goods no longer fits the demands of customers, reformulate the offer, and re-launch the brand to pique consumer interest and reignite demand. In the hotel industry, irregular demand is referred to as seasonality of demand. In these cases, businesses seek to build marketing tactics that synchronize demand across peak and low seasons, frequently through price-led promotions.

1.6.5   Full demand: It happens when real demand equals desired demand and the marketing objective is to keep existing demand going. Full demand is unusual in hospitality industries since rivals are likely to pursue attractive sectors and disrupt the equilibrium.

1.6.6   If there is too much (or overfull) demand: The service operation is unable to cope, and there will almost certainly be significant customer discontent. The hotel marketer will try to minimize demand by raising costs or regulating the booking/queuing system to avoid overcrowding. Increase capacity by adding additional guestrooms or enlarging the sitting space at a restaurant as a long-term fix to overfull demand, but management must be convinced that exceptionally heavy demand will be maintained.

1.6.7   Unwholesome demand: It can happen when illegal acts such as drug use, gambling, or sex trafficking are actually occurring on the premises of a hotel. Management certainly has an ethical responsibility to strive to prevent or eliminate unwholesome demand; yet, this can be difficult when consumers are willingly participating.

1.7   Market demand in hospitality

Hospitality market demand may be basically classified into four categories:

1.7.1   Business travel demand: It comprises all business trips to visit clients and suppliers, as well as to attend conferences, exhibits, and seminars. Business travel excludes everyday commutes.

1.7.2   Leisure travel demand: It covers trips where individuals go away from home for recreation, entertainment, or leisure, such as vacations, weekend getaways, or same-day visits.

1.7.3   Domestic travel demand: It comprises all travel generated within a country by individuals who live in that country - for example, local role of financial travel in Australia includes all business trips taken in Australia by persons who live in Australia.

1.7.4   International travel demand: It comprises all travels to a country created by persons residing in other countries. France is a prominent tourist destination that draws foreign visitors from across world. Some sorts of travel fall outside of these basic categories. People frequently combine work and pleasure in the same vacation. These are, nevertheless, useful descriptors used by tourism and hospitality groups.

1.8   Summary

In this unit we have learnt that:

- A market is a meeting place for groups of people who buy and sell produce.

- Market demand is defined as the total purchasing power of people who buy something (or service).

- Market supply is referred to as market capacity in the hotel business

- Hospitality market demand is divided into four categories: business, leisure, domestic, and international travel demand.

1.9   References/Further Readings

Kotler, P. (2000). *Marketing management: The millennium edition* (Vol. 10). Upper Saddle River, NJ: Prentice Hall.

Kotler, P. (2012). *Kotler on marketing*. Simon and Schuster.

Middleton, V. T., & Clarke, J. R. (2012). *Marketing in travel and tourism*. Routledge.

1.10   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. A market is a gathering place where people may purchase and sell produce.

2. Market capacity

Answers to SAEs 2

1. True

2. Business, leisure, domestic and international travel demand

UNIT 2   THEORY OF HOSPITALITY MARKETING

Unit Structure

2.1   Introduction

2.2   Learning Outcomes

2.3   What is marketing?

2.4   Core principles of marketing

2.5   Management orientations

2.5.1 Operations or production orientation

2.5.2 Product or service orientation

2.5.3 Selling orientation

2.5.4 Marketing orientation

2.5.5 Societal marketing orientation

2.6   Special characteristics of services marketing

2.6.1 Seasonality and demand fluctuation

2.6.2 Intangibility

2.6.3 Perishability

2.6.4 Inseparability

2.6.5 Variability

2.6.6 Interdependence

2.6.7   Supply exceeds demand

2.6.8 High fixed costs

2.7   The role of marketing management in hospitality

2.8   Summary

2.9 References/Further Readings

2.10   Possible Answers to Self-Assessment Exercise(s) within the content

2.1 Introduction

The theory of hospitality marketing involves its core principles, orientations, characteristics and roles in hospitality industry. Marketing is based on the premise that companies should first determine what their customers want and need prior to actually designing products and services. This consumer orientation leads to increased demand for a company's products and services, as well as greater levels of customer satisfaction after the sale.

2.2 Learning Outcomes

At the end of this unit, the student is expected to have learnt the;

- State the meaning of marketing

- Identify the five fundamental core principles of hospitality marketing

- Describe the five unique management orientations in hospitality marketing

- Describe the characteristics and roles of hospitality marketing

Self-Assessment Exercises 1

1) What is marketing?

2) How many are the core principles of marketing?

2.3   What is marketing?

The exchange/transaction process was central to early conceptions of marketing. Marketing is the fulfillment of people's needs and desires; items and services are traded in mutually beneficial transactions that are typically, but not solely, conducted utilizing the monetary system. It is an importance process that leaves both the vendor and the customers better positioned than they were before the transaction. Marketing is a business practice that aims to provide client happiness. Marketing is defined as 'the process of planning and carrying out the creation, pricing, promotion, and distribution of ideas, commodities, and services in order to generate exchanges that meet individual and organizational objectives.' The establishment of mutualistic long-term partnerships between customers and suppliers is known as relationship marketing. Relationship marketing seeks to "clarify and define, sustain and improve, and where necessary, cancel relationships between customers and stakeholders at a financial gain so that the goals of all relevant parties are met; and this is accomplished through true partnership and fulfillment of promises." A 'relationship marketing' strategy has seen common hotels to focus their marketing efforts on frequent passengers in an attempt to encourage recurring and referred business in hospitality sectors.

2.4   Core principles of marketing

To summarize the numerous marketing techniques and definitions, the following fundamental ideas may be advanced:

1 Marketing is an important concept that positions the clients at the heart of the mission of a hospitality enterprise. Long-term client connections are increasingly recognized as mutually beneficial by hospitality firms.

2 A mutually beneficial trade activity exists between hospitality firms and their clients.

3 The primary objective of marketing will be to regulate demand.

4 It is a business strategy that focuses on the organization's long-term prosperity.

5 Marketing tools are a set of tools that marketers use to understand consumer needs and wants and to generate relevant services and products to fulfill or delight clients.

2.5   Management orientations

In free market economies, five distinct management orientations, often known as management philosophies, have been identified.

2.5.6 Operations or production orientation

It is also known as mass marketing. The manufacturing approach is based on mass production circumstances and restricted consumer choice. As management works to minimize expenses, enhance efficiency and quality, and boost volume, this results to an inward-looking orientation. A manufacturing approach is acceptable if buyers are happy with the cheap, surplus product. Airline, contract, and food service businesses, for example, have a production priority due to the huge markets they serve, to varied results.

2.5.7 Product or service orientation

This is not tied to any particular economic era or market conditions. Product-oriented businesses feel that their clients can only be pleased with a specific sort of product. Management focuses on improving existing products while failing to grasp that alternative sorts of products may better satisfy customers. Product orientation may result in failure. Product management is once again turning inside. While a product-oriented corporation might thrive, changes in customer preferences and fashion can swiftly derail a product-led company.

2.5.8 Selling orientation

When the hotel and tourist industries' products compete in marketplaces where supply surpasses demand and growth is slow or diminishing, they adopt a selling orientation. Surplus capacity coupled with a significant long - term financing on equipment and building is a major challenge for management. It is focused on marketing the goods to potential consumers rather than addressing client requirements and desires By combining incompatible consumer categories, hospitality businesses risk failing to deliver on customer happiness, which is totally self. Many marketing campaigns in the hotel business are basically just sales incentives geared at filling beds, bars, and restaurants - regardless of consumers' desires and needs.

2.5.9 Marketing orientation

Some writers believe that marketing orientation and marketing concept are the same thing. To deal with similar economic situations, marketing orientation is an alternative technique to the "selling orientation" that results into a competitive environment. Companies that practice marketing know that their clients have a lot of options in the market. Companies that want to be profitable in the long run must understand and service their consumers better in the market.

2.5.10 Societal marketing orientation

According to societal marketing orientation (Figure 1), businesses need to be proactive in the society, adopting a "good neighbor" strategy in their best benefit. The difference between a conventional approach and a real societal marketing approach is evident in the organization's basic principles. If an organization's whole culture is clearly devoted to environmental and social

consciousness in its ideology and reflects this in all of its actions, it has taken a societal marketing strategy.

Starting point	Focus	Means	End
Production orientation			
Innovative, strong, hospitality products	Satisfying high demand	New technology generating mass production at low prices	Profit through mass sales
Product orientation			
Existing hospitality product/service	Maintain and improve existing product concept	Minor improvements and adaptations of existing marketing mix	Profit dependent upon stable market conditions
Selling orientation			
Existing hospitality product/service	Existing and new facilities	Aggressive selling and promotional tactics	Profit through sales volume
Marketing orientation			
Business and leisure markets	Business and leisure customer needs and wants	Integrated marketing (including marketing research)	Profit through customer satisfaction
Societal-marketing orientation			
Business and leisure markets AND the needs and wants of the community and environment	Socially concerned hospitality business activities	Integrated marketing which takes into account the needs and wants of consumers and society	Profit through enhanced image and customer satisfaction

Figure 1: Marketing orientations, Kotler (2012).

Self-Assessment Exercises 2

1. …………….. refers to changes in supply and demand within any specific time period.

2. What is the primary role of the hotel marketing manager?

2.6   Special characteristics of services marketing

Seasonality, intangibility, perishability, inseparability, variability, interdependence, supply exceeding demand, and high fixed costs are some of the challenges that services marketers (particularly hotel marketers) confront.

2.6.1 Seasonality and demand fluctuation

Seasonality refers to changes in supply and demand within any specific time period. Seasonality can arise in hospitality businesses at:

- Different times of the day.
- Different times of the week
- Different months of the year
- Different seasons of the year

2.6.2 Intangibility

Services are intangible products since they cannot be heard, seen, smelled, tasted, or touched prior to purchase. Marketing intangibles presents challenges for service providers. Customers frequently perceive a higher amount of danger and find it harder to gauge quality. Customers must be supplied with information to assist them in selecting a suitable hospitality outlet to meet their specific requirements and desires.

2.6.3 Perishability

The challenge for hospitality businesses is determining management capacity (inventory) in the face of a variable demand pattern. Services, unlike produced goods, cannot be kept in warehouses; this characteristic of service businesses is known as 'perishability.'

2.6.4 Inseparability

Customers must be present in order to utilize the hospitality product. Because services are produced and consumed at the same time, hospitality staff are an integral component of the hospitality offering. Customers, too, play an important role in the hospitality industry by improving or destroying from the environment for other customers. Because of these elements, client interaction with hospitality workers and other hospitality guests affords a number of chances to favorably or adversely affect customer satisfaction.

2.6.5 Variability

Hospitality operations see significant swings in service delivery standards because of inseparability. This is referred to as variability, and it is impacted by human factors.

2.6.6 Interdependence

Tourists make a multitude of travel buying decisions during a single trip, and their total happiness with a visit is dependent on a complicated system of evaluating several components, including travel arrangements, lodging, attractions, and amenities at a location. Individual enterprises, regardless of the tourist industry they operate in, their size, or ownership, must collaborate to promote their location in response to interdependence.

2.6.7   Supply exceeds demand

Despite unprecedented numbers of travelers for pleasure and business, increases in hospitality capacity have not always been complemented by an increase in demand. When supply surpasses demand, the competitive landscape becomes more severe, and competitive pricing can have an impact on the profitability of all enterprises.

2.6.8 High fixed costs

Marketing activity is influenced by the pricing structure of hospitality sector. Hospitality enterprises require a lot of cash, effort, and energy. Typical hospitality businesses have substantial property expenses and a big number of employees, many of whom are full-time, permanent employees. These expenses do not fluctuate; they are 'fixed' regardless of the quantity of users that use the facility.

2.7 The role of marketing management in hospitality

The hotel marketing manager's major responsibility is to impact demand for the organization's products and services.

Marketers strive to:

- Identify the drivers of demand

- Comprehend consumers and customers

- Increase the amount of transactions (number of passengers, covers served, bed nights)

- Increase both the number and the worth of transactions (however there is always a trade-off between growing volume sales and increasing achieved expenditure)

- Shift demand from periods of high demand (peak season) to periods of low demand (non-peak season).

2.8   Summary

In this unit we have learnt that:

- Marketing is a commercial activity that improves both the seller and the customer's status after the transaction.

- The five core principles of marketing simplify the different marketing strategies and classifications.

- Five unique management orientations, sometimes known as management philosophies, have been found in free market economies.

- Hospitality service marketers encounter the following eight service marketing problems.

- The primary role of the hotel marketing manager is to influence demand for the organization's products and services.

2.9   References/Further Readings

Bowie, D., Buttle, F., Brookes, M., & Mariussen, A. (2016). *Hospitality marketing*. Routledge.

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2.10   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Marketing is defined as 'the process of planning and carrying out the creation, pricing, promotion, and distribution of ideas, commodities, and services in order to generate exchanges that meet individual and organizational objectives.

2. Five

Answers to SAEs 2

1. Seasonality

2. The primary role of the hotel marketing manager is to influence demand for the organization's products and services.

UNIT 3   HOSPITALITY MARKETING MIX

Unit Structure

3.1   Introduction

The traditional marketing mix consists of four components: price, product, place, and promotion. These four marketing mix components are the decision-making variables available to marketing managers. In other words, the firm marketing the product or service in question controls the marketing mix. However, all organizations work in a dynamic external environment that neither the firm nor its employees can control. Economic, social, technical, political and legal, and competitive environments comprise the external environment. Alternatives to the standard marketing mix have been proposed in the marketing literature in response to distinctions between physical items (i.e., things) and services. Intangibility, inseparability, perishability, and variability are four important qualities of services that influence the design of marketing initiatives. These qualities resulted in the development of a 7-P marketing mix for all services (the original four plus physical evidence, participants/people, and process) and a hospitality marketing mix regarded to be more appropriate for hospitality services corporations, tourist organizations, and other travel-related businesses. The product–service mix, presentation mix, and communication mix are the three components of the hospitality marketing mix. The parallels and distinctions between traditional marketing and hospitality marketing.

3.2   Learning Outcomes

At the end of this unit, the student is expected to have learnt the;

- Describe the concept of marketing mix

- Identify the three components of hospitality marketing mix

- Describe the five hospitality marketing environment

- Describe the areas the hospitality marketing mix can be applied

- Describe how hospitality marketing mix can be customized

- State the three criticisms of the marketing-mix concept

Self-Assessment Exercises 1

1. State the three components of hospitality marketing mix

2. What are the hospitality marketing environment

3.3   The marketing mix

The conventional marketing mix McCarthy's four Ps were pricing, product, location, and promotion. The total marketing process entails the application of the four decision-making factors within the framework of the firm's macro-environment, with an emphasis on the target market (s). The company controls the marketing mix, but the macro-environment cannot be directly controlled. The primary goal of the corporation is to find a 'mix' for each product that fulfills customer demands and requirements while also providing the firm with a distinct market position. Firms attempt to design marketing strategies that use the marketing mix to establish long-term competitive advantages that lead to long-term growth and profitability.
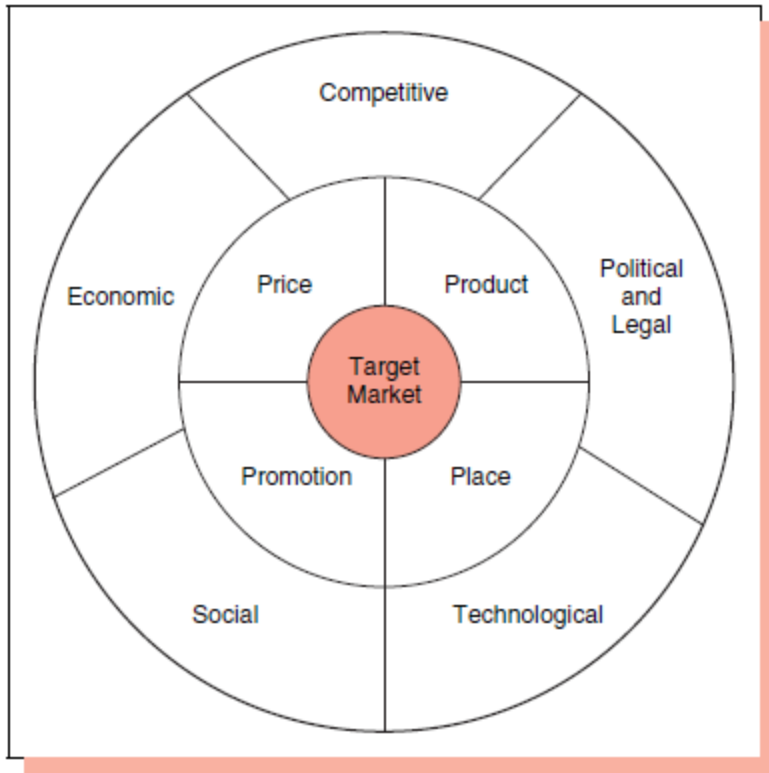
Figure 3.1
The marketing mix and external environments

3.3.5 *Price.*

Price is the monetary value assigned to a product or service. Other words for the pricing component of the marketing mix include charge, rate, tuition, premium, and toll. There are non-monetary factors to consider in addition to the more obvious monetary factors. Non-monetary prices include the time it takes to look for and assess other products or services, as well as the convenience of location.

3.3.6 *Product.*

The tangible good and all of the services that accompany that good to generate the final product are included in the product part of the marketing mix. A product is a collection of items and services that make up the complete offering. A hotel room, for example, contains the guest room, fitness center, pool, restaurants, valet service, concierge service, cleaning service, and so on. A restaurant meal comprises of the actual cuisine, the host/hostess, and the staff, among other things. Varieties, quality, design, features/amenities, brand name, packaging, supporting services, and warranties are all factors in the 'product' selection.

3.3.7 *Place.*

The distribution and logistics of generating a product or service and making it available to the ultimate customer are included in the location part of the marketing mix. The cost of resources such as labor, raw materials, and real estate is used to decide the location of a manufacturing or wholesale business. Furthermore, access to the desired mode(s) of transportation is required for transporting items to wholesalers and retailers. The placement of a retail enterprise is mostly determined by the eventual consumers' accessibility. Services have very limited distribution channels and devote much of their efforts to establishing retail locations that are handy for consumers. Restaurants, for example, want high traffic areas near shopping and other attractions. Similarly, hotels situate their facilities near airports, metropolitan hubs, industrial sites, and tourist attractions that are accessible to their particular target audiences. The type of channel, location, assortments, coverage region, inventory, and transportation are some of the criteria that go into the 'place' selection.

3.3.8 *Promotion*

All of the communications related with selling a product or service are included in the promotion component of the marketing mix. Advertising, personal selling, publicity, and sales promotion comprise the promotion mix. Advertising and publicity are kinds of mass communication that use a number of media, including television, radio, newspapers, magazines, direct mail, and the Internet. Advertising is a paid kind of mass communication with a specific sponsor, whereas publicity is a non-paid form of mass communication that does not have a specific sponsor (i.e., it is free and objective). Personal selling is a type of interpersonal contact that is supported by the company. A sales promotion is a short-term incentive to buy a product or service. Contests, sweepstakes, premiums, and product bundles are all forms of sales promotions. The promotion mixtures used by hospitality companies are determined by their customer and trade locations. Restaurants typically attract customers from the local or regional population and gain from using local media such as newspapers and radio stations. Due to their extensive geographic coverage, only major chain restaurants may benefit from national advertising in periodicals and on television. Hotels, on the other hand, tend to draw clients from regional, national, and worldwide markets.

As a result, unless they are selling their restaurants through weekend packages, most hotels promote in national media such as magazines and television.

3.4 Hospitality marketing mix

Because of the inherent contrasts between commodities and services, an alternative marketing mix for the hotel sector was developed. The standard marketing mix was ineffective for service

businesses (such as hotels), hence an alternative marketing mix with the following three components was presented:

3.4.1 Product–service Mix.

The product–service mix is a combination of free and for-purchase items and services targeted at meeting the demands of the target market. The phrase "product–service mix" is intended to highlight the reality that hospitality businesses provide a combination of products and services. Because services are intangible, consumers are more inclined to judge them based on performance rather than possession. The word'service' in the category title reinforces the idea that the marketing mix should embrace services marketing concepts and use a market-oriented approach. All personnel must focus on consumers and build long-term connections. For example, hospitality and travel companies try to do this through frequent flyer/guest/diner programs.

3.4.2 Presentation Mix.

The presentation mix encompasses all of the factors employed by the business to raise the tangibility of the product–service mix in the target market's view, at the appropriate place and right time. The presentation mix is utilized to distinguish a company's offering from competing items on the market. The physical plant, location, atmosphere, pricing, and people are all important components of the presentation mix. It should be noted that the traditional marketing mix's pricing and location components are incorporated in this hospitality marketing-mix component. In this instance, the location element refers to the service delivery process rather of the conventional distribution process connected with product (i.e., things) marketing, which focuses on logistics and supply chain management. This element provides a category for various

actions and products that are unique to services (particularly hospitality services) and cannot be easily allocated to one of the standard marketing mix categories.

3.4.3 Communication Mix.

The promotion component of the classic marketing mix is fairly similar to the communication mix. All interactions between the firm and the target market that raise the tangibility of the product–service mix, develop or monitor customer expectations, or encourage consumers to purchase are referred to as the communication mix. This is performed by 'tangibilizing' the service by simulating the service experience with visual media. This method resolves objections about the treatment of sales promotion as a subdivision of the promotion factor and provides a more comprehensive element, focusing on promotion and communication, than the standard marketing mix. One of the service quality gaps is a lack of communication with customers about the nature of the service and what they may anticipate. Managing consumer expectations is an important action in marketing initiatives for non-traditional services. In their boundary-spanning positions, service staff are also responsible for communicating with customers. Reservation agents at hotels and waiters in restaurants, for example, are frontline staff who are expected to describe (i.e., tangibilize) the firm's offerings.

3.5   Marketing environment

Environmental scanning is an essential component of every company's strategic strategy. Managers inside the company control the components of the marketing mix (i.e., the four Ps or marketing program). However, the corporation cannot control the external environment, and

changes in the environment result in both opportunities and risks. Economic, social, technical, political and legal, and competitive environments comprise the external environment.

3.5.1 Economic Environment.

The economic environment includes elements that influence consumer purchasing power and spending habits. Purchasing Power Parity (PPP) is a method of comparing earnings across nations by assessing the prices of a set of standard goods using the exchange rate with the US dollar. Most service businesses, particularly those in the hotel and travel industries, rely largely on clients' disposable and discretionary cash. Disposable income is the amount of money left over after paying taxes and other mandatory deductions. Discretionary income is the amount of money left over after the consumer has paid for needs like shelter, food, and clothes.

3.5.2 Social Environment.

The social environment is made up of shifting demographic and cultural trends in the population. It is critical for organizations to assess how demographic and living circumstances changes may impact their operations. For example, hotel and tourism companies might concentrate their efforts on marketing to the older population. This is most likely the least dynamic of the external surroundings. In other words, the majority of the changes occur over time and do not require urgent intervention. Cultures and subcultures' values and conventions have evolved over hundreds or thousands of years and are unlikely to alter dramatically in a short period of time.

3.5.3 Technological Environment.

The technological environment includes aspects that influence how customers live as well as the production and distribution of goods and services. The changes in the technology environment have been significant during the previous 50 years, and the rate of technological development has been growing. Consumers benefit from increased product choice and convenience as a result of these improvements. Electronics and telecommunications are two of the most technologically advanced fields. Hotels, restaurants, airlines, and car rental companies, for example, have all experienced advancements in reservation management and point-of-sale systems in the form of computer software applications that speed the process and give information for revenue management.

The Internet, in particular, has had a significant impact on hospitality and tourism businesses. As previously said, the Internet allows hospitality and travel companies to contact new target customers (e.g., price-sensitive consumers). Firms can also develop databases and e-mail lists in order to improve customer loyalty. Finally, modern technology has enabled businesses to delegate some of their service tasks to consumers while still providing them a sense of control. For example, after purchasing an airline ticket, customers can select their seats and print boarding passes using Internet web sites. Consumers also benefit from the ease of searching for information, comparing alternative items, and making hospitality and travel purchases on the Internet.

3.5.4 Political and Legal Environment.

The government, lobbyists, and other persons and groups active in the formation and execution of laws and regulations comprise the political and legal environment. Legislators adopt rules and regulations to prevent unfair competition among enterprises, to protect customers from unfair

business practices, and to ensure the safety of products and services. Tariffs and quotas for imports and exports, as well as taxation, all have an impact on numerous businesses.

3.5.5 *Competitive Environment.*

All persons and organizations promoting identical, or replacement, items and services to the same target audiences constitute the competitive environment. These businesses fight for labor and materials, as well as sales volume and income. There are basically four competing structures:

- Pure monopoly – one seller and many buyers
- Oligopoly – a few sellers and many buyers
- Monopolistic competition – numerous vendors with diverse products and many buyers
- Pure competition

3.6 Applying the marketing-mix concept

To answer the following questions, the marketing-mix idea must be used:

- Are the aspects of the marketing mix consistent with one another?
- Do the pieces, in addition to being consistent, add up to a harmonic, integrated whole?
- Is each element given the most leverage?
- Are the target market segments specified properly and explicitly?
- Does the program as a whole suit the demands of the target market segment?

- Does the marketing mix capitalize on the organization's strengths while mitigating its weaknesses?

- Is the marketing mix generating a distinct competitive advantage?

The interaction that occurs inside the marketing mix. There are three types of interaction: consistency, integration, and leverage. The logical and beneficial match between two or more marketing-mix elements is referred to as consistency. The term "integration" refers to an active, harmonic interplay between the elements (in addition to the coherent fit implied by consistency). Leverage is the usage of each ingredient to maximize the entire marketing mix. The interaction that occurs inside the marketing mix. There are three types of interaction: consistency, integration, and leverage. The logical and beneficial match between two or more marketing-mix elements is referred to as consistency.

3.7   Marketing-mix customization

Because of the paradigm change from transaction marketing to relationship marketing, many businesses, particularly service businesses, are involving their consumers in the product creation process (Table 1). Technological advancements (i.e., computers and telecommunications) have enabled businesses to construct databases that are used to contact customers through the Internet, phone, or direct mail. This personal information and access to customers enables businesses to tailor their marketing campaigns.

Table 1: Marketing-mix customization and customizability options

Marketing-mix elements	Focus	Type of customiza-tion/customizability	Hospitality examples
Product	By Company	• Offering enhanced and/or bundled products	• Buffets, vacation packages
	By Customer	• Offering products with different options • Offering a menu of product components	• Rental car agencies • Online travel agencies
Price	By Company	• Offering segmented price discounts • Offering a customized product	• Group business, seniors • Fast food 'value' meals
	By Customer	• Offering a customizable product • As a result of bargaining power	• Banquet/catering menus • Meeting planners
Promotion	By Company	• Use one-to-one communication tools	• Frequent flyer programs
	By Customer	• Offering an interactive information network	• Hotel web sites
Place	By Company	• Offering multiple channels and locations	• Online hotel reservations
	By Customer	• Offering an interactive distribution network	• Online airline check-in

Self-Assessment Exercises 2

1. Critics of the marketing mix object to its ability to meet the marketing concept's needs. TRUE or FALSE?

2. How many ways can the marketing-mix concept be criticized?

3.8   Criticisms of the marketing-mix concept

Critics of the marketing mix object to its inability to meet the marketing concept's needs. This is especially true when it comes to services. The argument regarding the application of the marketing-mix concept and its handling of element interactions and market orientation will continue.

3.8.1   Lack of proper identification

The features or characteristics that serve as the foundation for categorization are unknown. Early coverage of the marketing mix saw the elements as processes, but more current textbook coverage considers them as objects or tools used by marketing managers in designing marketing plans to target certain markets with a product or brand. The recommended approach is to define the dimensions used to categorize actions and objects into the four marketing-mix categories.

3.8.2   Overlap between marketing-mix elements

There have also been some concerns raised about the lack of features utilized to categorize the marketing-mix elements, as well as the fact that the aspects are not mutually exclusive. There was no attempt to find a foundation from which to separate the four ingredients of the marketing mix.

3.8.3   Production-oriented approach

Instead of a market-oriented strategy, the marketing-mix notion is based on a production-oriented definition of marketing. That is, in the traditional marketing mix, clients are viewed as

an entity to which something is done rather than an entity for which something is done. Furthermore, the marketing-mix paradigm supports the concept of a separate marketing department inside a business, resulting in the marketing function being segregated from the firm's other operations. The recommended approach is to launch a paradigm shift toward relationship marketing, which acknowledges the significance of integrating the firm's operations and embracing services marketing concepts in order to achieve real market orientation.

3.9   Summary

In this unit we have learnt that:

- McCarthy's four Ps, or traditional marketing mix, were pricing, product, place, and promotion.

- The hospitality marketing mix is made up of four components: product–service, presentation, and communication mix.

- The hotel marketing environment is divided into five categories: economic, social, technical, political, and legal.

- The areas of application of the hospitality marketing mix may be determined by answering seven questions.

- The hospitality marketing mix may be tailored in a variety of ways.

- Critics of the marketing mix point to its inability to satisfy the demands of the marketing idea.

3.10   References/Further Readings

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3.11   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1.   Product–service, Presentation, Communication

2.   Economic, Social, Technological, Political and Legal, and Competitive

Answers to SAEs 2

1. False

2. Three

UNIT 4   HOSPITALITY SERVICE MARKETING

Unit Structure

4.1   Introduction

Hospitality service marketing examines how various parts of the hospitality business employ marketing tactics to advertise their products or services.

4.2   Learning Outcomes

At the end of this unit, the student is expected to have learnt the;

- Understand the four principles of hospitality service marketing

- Know the five categories of hospitality service marketing

Self-Assessment Exercises 1

1. What are the principles of service marketing?

2. Situational marketing applies to both …………… and …………….

4.3   Principles of service marketing

In marketing, there does not appear to be a single agreed-upon definition of services. A deed, act, or performance can all be defined as a service. Early studies in services marketing tended to focus on the distinguishing aspects of services, or the traits that distinguish them from things or physical objects. The fact that services are 'intangible' leads to most of the issues surrounding the debate regarding the differences between marketing services and 'typical' products. The four characteristics of services (Table 2) are:

4.3.1   Intangibility.

Services are intangible and cannot be assessed before purchase. Before purchasing a service, the consumer cannot see, taste, hear, or feel it. As a result, service providers frequently attempt to

'tangibilize' the service by providing some proof of the service. The insurance sector is one of the greatest instances of a service industry that gives concrete evidence for an intangible service. In 'tangibilizing' hospitality services, the Internet has become a helpful adjunct to other advertising resources. Hotels and tourism spots, for example, may give thorough information, high-quality images, and visual tours on their websites.

4.3.2 Inseparability.

Another distinction between tangible things and services is that services are generally created and consumed at the same time. In other words, services are not distributed through the usual channels of a producer, a wholesaler, and a retailer. Service businesses are often retailers that provide services and deliver them to customers while they are being produced. In reality, the customer is frequently involved in the manufacturing process. Food service companies, for example, usually make meals when clients request them, unless they specialize in 'grab-and-go,' as certain convenience stores and supermarkets do.

4.3.3 Perishability.

Because services are intangible, they cannot be saved or held in inventory. A thing, or actual product, can be held at a warehouse and then sent to a shop, where it can be stored indefinitely. Hospitality and travel services, including haircuts and doctor's appointments, cannot be inventoried.

4.3.4 Variability.

Situational marketing applies to both commodities and services. That is, numerous elements impact the customer decision-making process, such as the purpose for the purchase, the amount of time available, and the buyer's connection with the product or service category. Because services are intangible and consumers are involved in the manufacturing process, it is challenging to maintain consistency in service delivery. Many quick-service restaurants have automated menu preparation in an attempt to ensure constant service, however they cannot fully control the ambience in the restaurant at the moment of delivery.

Table 2: Problems and strategies related to unique service features

Unique service features	Resulting marketing problems	Marketing strategies to solve problems	Hospitality strategy examples
Intangibility	• cannot protect services through patents • cannot display services • prices are difficult to set	• stress tangible cues • stimulate word-of-mouth • create strong image • use cost accounting to help set prices • engage in post-purchase communications	• Motel 6 – 'We'll keep a light on for you' • restaurant critics/publicity • Hertz Rental Car Agency • menu engineering • frequent-flyer programs
Inseparability	• consumer involved in production • other consumers present during production • difficult to mass produce	• good selection and training of contact personnel • manage consumers • use multiple locations	• Marriott's continuous training program • airline practices • franchising and chain operations
Perishability	• services cannot be stored	• use strategies to cope with fluctuating demand • manage demand and supply	• yield management • early-bird specials
Variability	• standardization and quality control are difficult	• industrialize service • customize service	• pre-packaged vacations • fast-food preparation

Self-Assessment Exercises 2

1. How many categorization schemes are proposed in the hotel and tourist industry?

2. What are the basis for relationship with customers' classification scheme?

4.4 Classifying services

In the hotel and tourist industry, five categorization schemes have been proposed for the following questions:

1. What exactly is the service act?

2. What is the service organization's connection with its customers?

3. How much leeway does the service provider have for modification and judgment?

4. What is the nature of the service's demand and supply?

5. How will the service be provided?

4.4.1 Nature of the Service Act.

The concerns involved in this classification scheme include who (or what) the act is intended at, and whether the act is physical or immaterial in nature. Tourism and hospitality services are defined as tangible acts directed at individuals who must be physically present for the majority of the service delivery process. It's worth noting that hospitality services are frequently 'mixed' in terms of contact. Airlines, for example, are high-contact for check-in and boarding but low-

contact for baggage handling and Internet-based services like ticketing and seat selection. Similarly, restaurants have high interaction with dine-in customers but limited contact with take-out and delivery customers.

4.4.2 Relationship with Customers.

The nature of service delivery (i.e., discrete or continuous) and the type of interaction between the service company and its consumers are the basis for this classification scheme (i.e., membership or no formal relationship). However, many hospitality companies provide frequent user programs in an effort to cultivate formal ties with customers and brand loyalty.

4.4.3 Degree of Customization.

This classification method is based on the degree to which service characteristics are tailored and the degree to which contact staff use discretion in satisfying specific client requests. Those in the hospitality and tourist industries do not have as much discretion in providing services as employees in health care or education (i.e., low discretionary ability). Rather, hospitality companies concentrate on personalizing the physical aspects of the service while decreasing the unpredictability in service delivery. Luxury hotels and fine dining restaurants, for example, provide their guests with a plethora of services and alternatives (i.e., high customization).

4.4.4 Nature of Demand and Supply.

This categorization approach is based on the degree to which demand fluctuates and supply is restricted. However, hospitality and travel enterprises such as airlines, rental car agencies, lodging facilities, and restaurants experience changes in demand and are not always able to

satisfy peak demand. For example, many tourism sites have seasonal peak times in demand dependent on weather (e.g., beach regions), during which accommodation facilities and restaurants run at capacity and turn customers away.

4.4.5 *How the Service is Delivered.*

This classification method is based on the number of service outlets and the nature of the contact (e.g., does the consumer need to be physically present?). Consumers of hospitality and tourist services must be physically present for at least part of the delivery process, as specified in the first categorization system. In most situations, the consumer goes to the service organization (e.g., hotel or restaurant), and given the number of franchises and chains, there are frequently many sites accessible. Independent lodging facilities and restaurants may not often provide many locations, and tourist attractions are typically single entities inside a specific area, but they all require consumers to be physically present.

4.5   Summary

- Hospitality services are 'intangible,' and they are distinguished by four characteristics.
- Five classification methods have been developed in the hotel and tourism industries.

4.6   Glossary

Business: It is an organization or enterprising entity engaged in commercial, industrial, or professional activities

Demand: It is the quantity of consumers who are willing and able to buy products at various prices during a given period of time.

Domestic: It is relating to, made in, or done in a person's own country

Hospitality: It is a generous and friendly treatment of visitors and guests or hospitable treatment

International: It means between or involving different countries

Leisure: It means time when one is not working or occupied

Market: It is a regular gathering of people for the purchase and sale of provisions, livestock, and other commodities

Supply: It is the total amount of a specific good or service that is available to consumers

Travel: It means to go from one place to another, typically over a distance of some length

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4.8   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Intangibility, inseparability, perishability, and variability

2. Commodities/products and services

Answers to SAEs 2

1. Five

2. The nature of service delivery and the type of interaction between the service company and its consumers

MODULE 2 PRINCIPLES AND CHARACTERISTICS OF TOURISM AND HOSPITALITY MARKETING

Unit 1 Tourism and Hospitality Marketing Principles

Unit 2 Characteristics of Tourism and Hospitality Marketing

Unit 3 Understanding the Tourism and Hospitality Market

UNIT 1   Tourism and Hospitality Marketing Principles

Unit Structure

1.1   Introduction

1.2   Learning Outcomes

1.3   What is Tourism and Hospitality Marketing?

1.4   Developing a Tourism Marketing Orientation

1.4.1   Marketing as a Process

1.4.2   Marketing as a Philosophy

1.4.3   Marketing as a Relationship Management Activity

1.5   Evolution of Marketing in the Tourism Industry

1.6.1   At the Individual Business Level

1.6.1.1 Meeting Consumer Needs

1.6.1.2 Satisfying Consumers

1.6.1.3 Generating Sales

1.6.2   At the Local/Regional Destination Level

1.6.2.1 Informing Consumers

1.7   The Main Principles of Marketing

1.1   Introduction

This unit delves into some of the most important topics and concepts of tourism and hospitality marketing. It explores how marketing is used in the tourist and hospitality industries. It also outlined the fundamental marketing principles.

1.2   Learning Outcomes

At the end of this unit, the student is expected to have learnt the;

- Definition of tourism and hospitality marketing

- Describe how to develop a tourism marketing orientation

- Describe the evolution of marketing in the tourism industry

- Explain how marketing fit into the subject area of tourism and hospitality?

Self-Assessment Exercises 1

1) What is tourism and hospitality marketing?

2) Define tourism marketing orientation

1.3   What is Tourism and Hospitality Marketing?

Tourism and hospitality marketing is the process through which a tourism and hospitality business predicts and handles customer demands in order to sell. Tourism and hospitality products and services are required to meet (or fulfill) the requirements and desires of consumers. Humans have a wide range of complicated wants, including the need for food, clothes, and protection, as well as the desire for self-expression and a sense of belonging. Wants are connected to how individuals express their needs; they are typically stated in terms of goods that will satisfy needs. However, it may be argued that marketing tourist services and goods is about satisfying desires rather than necessities. People don't need vacations; they typically desire them. Tourism and hospitality marketing (Figure 2) entails determining what tourists want (marketing research), developing suitable product offerings (product development), informing people about what is available (promotions), and directing them to where they can buy the offerings (place) so that they receive value (pricing) and the tourism organization profits. A tourist marketer must create and manage a service that gives value for money (VFM) to targeted consumers in order to stimulate the purchase of tourism products and services and to assure consumer satisfaction.
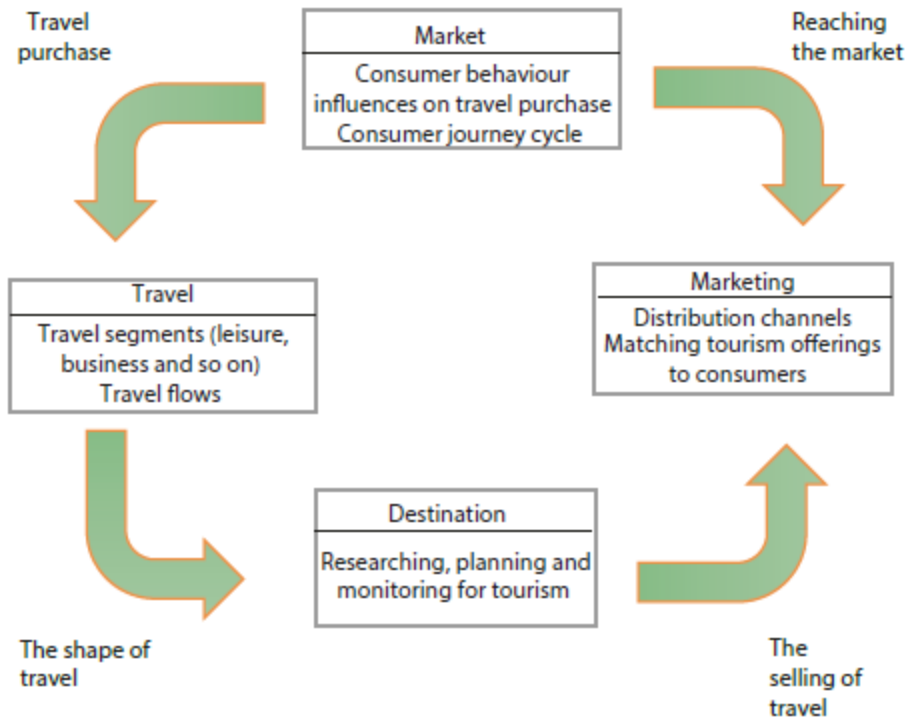
Figure 2: The tourism system.

1.4   Developing a Tourism Marketing Orientation

Marketing orientation is a forward-thinking strategy that focuses on consumers' present and future demands in order to target consumers and work on enhanced ways of communicating and providing greater value than rivals. It is applicable to both small and medium-sized tourism and hospitality businesses, as well as major (multinational) tourism and hospitality companies and tourist destinations. Essentially, anything can be marketed: events, people, ideas, locations, and, of course, services like tourism and hospitality. Marketing-oriented tourism and hospitality marketers constantly focus on the demands of the individual customer in order to establish a long-term connection. Marketing orientation may be characterized as a process, a mindset, or a relationship management activity.

1.4.1 Marketing as a Process

Marketing isn't only a means to an aim. It is an ongoing process that begins with a company striving to discover and understand the demands of its customers. Because diverse consumers have distinct requirements and desires, efficient marketing targets certain sorts of market consumers.

1.4.2 Marketing as a Philosophy

Marketing is a concept, a commercial approach that prioritizes the consumer." Thus, marketing is a way of thinking at every level of the organization, from how the receptionist answers the phone to how salespeople connect with customers and what the firm business card looks like.

1.4.3 Marketing as a Relationship Management Activity

The organization should strive to please customers so that they will return. Marketers and all employees must endeavor to establish relationships with important customers as well as all other groups that impact the success of the tourist business (stakeholders, the local community, destination marketing organizations [DMOs] and the travel trade or tourism intermediaries, including travel agencies and tour operators).

Through the proper use of individual account information, **customer relationship management** (CRM) enables businesses to deliver great real-time customer support.

Tourism marketing organizations may exhibit the following characteristics:

i. The organization prioritizes consumer demands and is continually concerned with understanding these needs.

ii. Marketing research is a continuous organizational activity.

iii. The organization is aware of what its customers think of it.

iv. The organization regularly assesses its strengths and weaknesses in comparison to rivals.

v. The organization measures and reviews its marketing operations on a regular basis.

vi. The organization's policies indicate a regard for both customer desires and societal concerns.

Self-Assessment Exercises 2

1. State three social networking platforms

2. What is influencer marketing?

1.5   Evolution of Marketing in the Tourism Industry

With the emergence of the aviation business in the 1950s, the tourist sector just began to thrive.

Over the last two decades, corporations have begun to recognize their societal responsibilities as well as the need of meeting consumers' needs and desires. In the tourist business, a good example is a hotel that has a non-smoking section or a QSR that employs ecologically friendly packaging for its food and beverage items. For many years, many tourist and hospitality businesses – both in developed and developing nations – have struggled to integrate marketing-oriented skills and consumer service standards. However, this is changing, owing to an increase in the number of international tourists visiting developing countries (emerging markets) with high expectations of quality service delivery, as well as the many American and other Western tourism franchises that have begun doing business in such countries.

The internet and other new technologies were used in the mid-1990s, ushering in a new era of marketing. Tourists nowadays use the internet to study their stay and arrange accommodation,

transit, and trips to tourist attractions and eateries. Travel is the most popular online product. Consumers are increasingly adopting netbooks and cellphones to make travel plans while they are on the go. As a result, more and more travelers are resorting to online review sites (or e-WoM) as a reliable source of decision-making information. The website for social networking. Facebook is replacing the traditional Christmas postcard as a means of informing friends that they are on vacation. Similarly, tourism and hospitality companies are embracing social networking platforms like Facebook, Instagram, TikTok/Douyin, Flickr, Snapchat, and Twitter to interact with customers, as well as video-sharing websites like YouTube to entice travelers with their product offers. Most airlines no longer offer paper tickets; instead, visitors may download their tickets onto their cellphones and have them scanned at airport check-in stations.

Today, there are over 130 different types of marketing, including marketing tactics (such as loyalty marketing), marketing channels (such as speed marketing), marketing styles (such as influencer marketing), marketing structures (such as corporate marketing), and various other widely applicable aspects of marketing.

Tourism and hospitality companies are increasingly advertising with YouTube and Instagram travel influencers to promote their products and brands.

Influencer marketing (also known as "influence marketing" or "social media influencer") is the promotion and sale of products and services by persons (influencers) with a big following on social media platforms.

1.6   How does marketing fit into the subject area of tourism and hospitality?

Marketing integrates within the tourism and hospitality topic area on two levels: the individual business level and the destination level.

1.6.1 At the Individual Business Level

The management of a company is involved in the marketing and operation of the firm at the individual business level. A small, family-run restaurant may advertise in a local newspaper as well as rely on favorable reviews provided by delighted customers on its website. Large hotel chains and airlines each have their own marketing departments that handle a variety of marketing initiatives. Finance, marketing, human resource management (HRM), and operations management are the four functional areas that most businesses have. The four functions (or departments) are all interconnected.
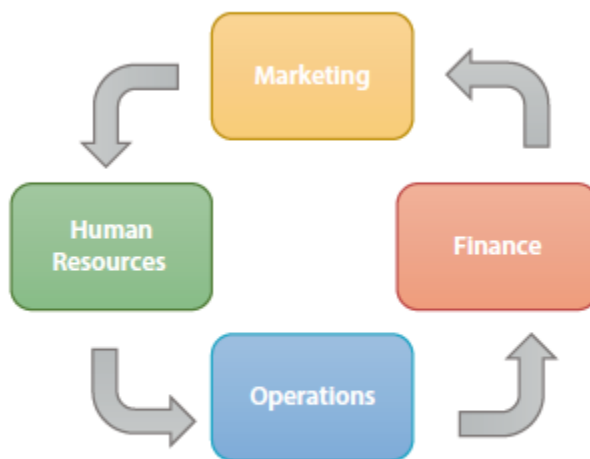
■ **Fig. 1.2** Marketing is an interrelated business function. (Source: Author's creation)

1.6.1.1 Meeting Consumer Needs

If a tourist and hospitality firm serves the demands of its customers, it will attract and retain customers. For example, parents who desire some alone time while on vacation may select a hotel with a crèche or child-minding services.

1.6.1.2 Satisfying Consumers

A tourist and hospitality firm must not only fulfill the demands of its customers, but must also go above and beyond to ensure their pleasure. This entails satisfying consumer demands by offering a high-quality product and service at a reasonable price. The tourist marketer discovers what consumers like and hate in order to meet their individual requirements and desires. Furthermore, the tourist marketer should strive to determine what clients anticipate in order to guarantee that they are happy with the tourism service.

1.6.1.3 Generating Sales

To fund their operating costs, all tourist and hospitality firms must generate revenue. These costs include the cost of staffing, overheads (such as power, water, and rent), and the cost of maintaining and updating equipment.

1.6.2   At the Local/Regional Destination Level

At the destination level, tourism marketing is frequently handled by a public-sector organization, either as a stand-alone agency or as part of a tourist department. Tourism promotion (or destination marketing) is the process of dressing up and making a location appealing to tourists and investors.

1.6.2.1 Informing Consumers

Another reason tourism and hospitality organizations engage in marketing is to educate customers. People will not use a facility if they are unaware of its existence. Tourism marketers

may inform the general public in a variety of ways. Brochures, media commercials, the internet, sales promotions, flyers, and coupons are examples of these.

1.7 The Main Principles of Marketing

Effective tourism marketing procedures involve information collection, marketing planning, marketing mix ingredients, and promotional techniques.

1.7.1 Information Gathering

Marketing research effort provides the majority of knowledge regarding market trends, customer segments, and consumer behavior. Gathering this knowledge and research data is a critical step in the marketing process. The knowledge gained is put to use to help the organization make marketing decisions.

1.7.2 Marketing Planning

The marketing planning process is a methodical approach to determining and expressing the organization's goals and objectives. Marketing planning entails a company examining its strengths and weaknesses in present and potential markets, determining its goals and opportunities, and developing strategies to accomplish those goals.

1.8 Elements of the Marketing Mix

The marketing mix is one of the most fundamental procedures in marketing. The marketing mix refers to the four primary activities that a company must focus on in order to fulfill its marketing goals. Product, pricing, location, and promotion are the four Ps of the classic marketing mix.

These are the primary decision areas that managers must handle in order to meet the demands of their customers. These four Ps are at the heart of each marketing strategy. According to marketing mix theory, all of the variables are interconnected and may be managed to some extent by the marketer. In this perspective, the four Ps are commonly referred to as controllable variables since they constitute the company's surroundings.

1.9   Promotional Strategies

Reviewing the numerous promotional methods utilized to attain set corporate goals and targets is one of the primary marketing procedures. Advertising, sales promotion, personal selling, and public relations are all part of the promotional mix. Furthermore, digital marketing and social media are electronic promotional instruments that are used in tandem to fulfill marketing goals.

1.10   Summary

- Tourist and hospitality marketing is the process through which a tourism and hospitality business anticipates and responds to client requests in order to sell.

- Marketing orientation is a forward-thinking approach that focuses on current and future customer needs in order to target consumers and work on improved ways of communicating and giving higher value than competitors.

- Marketing combines on two levels within the tourism and hospitality issue area: the individual company level and the destination level.

- Information gathering, marketing planning, marketing mix elements, and promotional strategies are all part of effective tourism marketing operations.

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1.12   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Tourism and hospitality marketing is the process through which a tourism and hospitality business predicts and handles customer demands in order to sell.

2. Tourism marketing orientation is a forward-thinking strategy that focuses on consumers' present and future demands in order to target consumers and work on enhanced ways of communicating and providing greater value than rivals.

Answers to SAEs 2

1. Facebook, Instagram, TikTok/Douyin, Flickr, Snapchat, and Twitter

2. Influencer marketing (also known as "influence marketing" or "social media influencer") is the promotion and sale of products and services by persons (influencers) with a big following on social media platforms.

UNIT 2   Characteristics of Tourism and Hospitality Marketing

CONTENTS

2.1   Introduction

Tourism and hospitality marketers must be concerned with general features that distinguish service providing marketing from product marketing.

2.2   Learning Outcomes

At the end of the unit, the student should be able to:

- Identify characteristics of tourism and hospitality marketing

- Describe the specific features of tourism services

- State the distribution channels

- Describe the marketing management strategies for tourism businesses

- Definition of services marketing triangle

- Describe the tourism marketing management approaches

2.3   Characteristics of Tourism and Hospitality Marketing

2.3.1   Intangibility

Intangibility refers to something that customers cannot see, taste, feel, hear, or smell before purchasing it. Because services cannot be examined or vetted in advance, consumers rely on word-of-mouth recommendations based on other people's experiences. When seeking for a good value-for-money (VFM) restaurant, for example, individuals would ask friends or locals for recommendations, such as a hotel receptionist or concierge.

2.3.2   Inseparability

It is described as the state that arises when a service and its provision occur at the same time, with both the provider and the customer active in the delivery process.

2.3.3   Variability

One of the most noticeable contrasts between products and services is variability (or heterogeneity, as it is frequently referred to). Heterogeneity — the difference in consistency between one service and another – is an unavoidable feature of most tourism offers. Variability is one of the most difficult aspects of a service to manage. Providing constant service is a significant undertaking. Conducting quality-control inspections is challenging, especially in labor-intensive businesses such as hospitality.
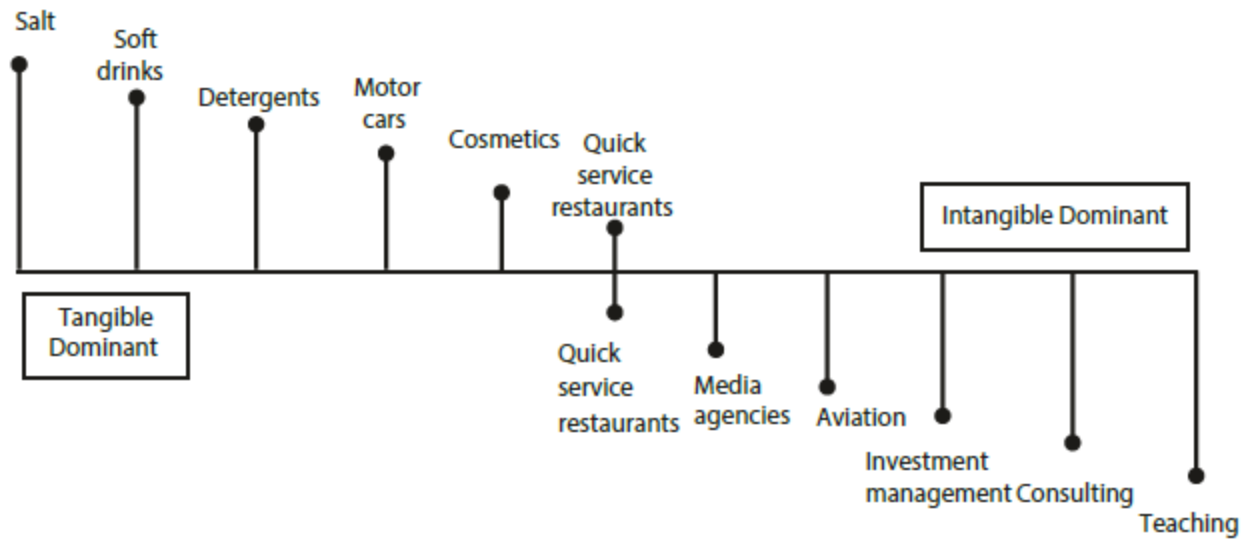
Fig. 2.1 Tangibility-intangibility continuum. (Source: Author's creation)

2.3.4 Perishability

Tourism products and services cannot be saved, stored, resold, or returned. They expire quickly. A hotel room, for example, that is not sold today cannot be sold tomorrow. Of course, the room itself still exists, but what is truly being sold is time in the room on a specific day.

Self-Assessment Exercises 1

> 3. State the specific features of tourism services
>
> 4. The tourist business has no physical distribution. TRUE or FALSE?

2.4   Specific Features of Tourism Services

2.4.1   Non-ownership

Non-ownership is seen as the sixth service feature. The significance of non-ownership as a service feature is often overlooked. It is now mostly absent from the literature. Aside from the four primary features of services, the majority of tourist products have a non-ownership component. Because there is no transfer of ownership, the work of creating a relationship with consumers, retaining their business, and developing brand loyalty becomes more challenging in tourism marketing.

2.4.2   Seasonality

The fact that tourism demand changes throughout the year is a frequent feature. Tourism has one of the most seasonal demand patterns of any product." Seasonality is so important in deciding when tourist corporations (including destination marketing organizations, or DMOs) launch marketing campaigns. A vacation resort, for example, may conduct marketing initiatives based on a seasonal quarter, such as September to November, following the school vacations. During this period, the resort may conduct a number of promotions and direct marketing efforts aimed towards repeat guests.

2.4.3   Fixed Location

Tourist attractions, as well as tourism and hospitality enterprises, have permanent sites. This implies that communication and promotional strategies like as advertising, digital marketing, social media marketing, and sales promotion are critical in bringing customers to the area.

2.4.4 Loyalty

Consumers may be loyal to a certain hotel group brand, a local restaurant, a restaurant chain, or an airline. They are loyal to restaurants and hotels that have met their expectations. Some customers prefer visiting new places, whilst others may return to the same resort or hotel at a vacation spot year after year.

2.4.5 High Costs

In general, tourism and hospitality industries have large fixed expenses and relatively low variable costs. Fixed costs are expenses that must be incurred in order for the firm to function, such as permanent employee salary, rent, heating, lighting, fuel, and marketing expenses. For example, consider a hotel that occasionally has an occupancy rate of just. Variable costs are those that vary according on the quantity of customers served. These expenses might be additional employees, maintenance, or meals supplied. Variable expenses alter when the occupancy rate fluctuates, while fixed expenditures must remain constant. High fixed expenses make it difficult for tourist and hospitality enterprises to operate. Furthermore, tourism and hospitality products are often a rather high-cost buy again for consumer.

2.5   Distribution Channels

The tourist business has no physical distribution. Customers are required to travel to the tourist offering or location. The travel component of travelling to the location is included as part of the program (the flight or other mode of transport). As a result, rather than vice versa, tourism customers must travel to the service manufacturer to enjoy the service. In most situations, distribution involves the tourist industry's numerous marketing intermediates. In travel and

hospitality, there are several distribution channels and a diverse collection of middlemen. Intermediaries are organizations that connect consumers with offerings, such as travel agencies, sales reps, call centers, tour operators, sales outlets, and incentive travel planners.

2.6   Interdependence of Tourism Offerings

Much of the tourism and hospitality sector is interconnected since most consumers utilize numerous services and goods from many distinct owners when they consume their hospitality or tourist offering. All of the experiences' offers are interrelated (they rely on one another), and the methods are unique to the tourist sector.

2.7   Marketing Management Strategies for Tourism Businesses

Tourism marketers may boost their efficacy by tangibilizing their product, managing workers, controlling perceived risk, managing supply and demand, and managing consistency.

2.7.1   Making the Offering Tangible

Because tourist offerings are ethereal, consumers cannot see, sample, or self-evaluate them. As a result, marketers must seek to provide customers with evidence of what they will receive if they purchase these services. When determining what to buy, most people rely on specific tactile indicators. These include tangible proof and personal touches. Both of these features must be visible to potential customers on the site as well as in advertising and promotional materials. The physical surrounds of a tourist company can provide visible proof of what customers might expect when they purchase a tourism item. The marketer must meticulously handle the physical factors. The parking lot must be kept clean, there must be no misspellings or missing letters on signage, and the greening (inside and outdoor plants) and décor must be kept in good condition.

2.7.2   Managing Employees

Because tourist offers are indivisible, staff are part of the product itself. Employees should be nice, polite, and motivated. They must be well schooled on the value of marketing orientation. Internal marketing refers to the process of teaching and encouraging staff to give excellent service. Internal marketing initiatives are implemented in the operations of well-prepared firms.

2.7.3   Managing Perceived Risk

People's loyalty to organizations and locations grows when they sense a high level of risk while acquiring tourist services. Prospective tourist customers are frequently cautious since they cannot evaluate the offering concretely ahead of time. Tourism marketers may offer consumers novel methods to sample their offerings. Offering familiarization visits is one approach for marketers to convince consumers to buy. Meeting and conference organizers might be invited to lunch at hotels and resorts. To address the issue of intangibility, tour operators, travel agencies, DMOs, conference centers, holiday resorts, restaurants, cafés, and hotels record their features on video and share content (such as visitors' holiday photos and videos) and make these available online (on their official website as well as various social media platforms such as YouTube, Instagram, LinkedIn, and Facebook) for viewing by potential customers, who can download video clips and view a photo gallery. The advantage of videos over holiday brochures is that they present a more dynamic and in-depth depiction of a place. This alleviates part of the consumer's uncertainties when reserving and purchasing tourist and hospitality products.

2.7.4   Managing Supply and Demand

Tourism marketers must coordinate supply and demand to mitigate the consequences of perishability. Marketers can achieve this by changing the hours of operation or the amount of employees. Opening hours might be extended during busy times and reduced during calmer times. During peak periods, more part-time employees might be hired, or full-time employees can work overtime. Furthermore, employees with a variety of talents may do a variety of tasks. Marketers can employ several components of the marketing mix to raise, create, or decrease demand for the tourist product. Various promotional techniques might be utilized to generate demand during slower times.

2.7.5   Managing Consistency

The fact that tourism and hospitality offers vary makes it difficult for marketers to provide consistent service. This means that in the tourist business, consumer expectations must be satisfied without any unpleasant shocks. In order to provide consistent service, a hotel, for example, must uphold its promise of providing breakfast to a guest at 7 a.m. Consistency and variability may be achieved by employing the proper workers and providing continual staff training, standardizing the service delivery process through service blueprinting, and carefully monitoring consumer feedback. With recent technological advancements, the usage of ticketing and vending machines has standardized offerings while also lowering employee expenses.

Self-Assessment Exercises 2

1. What are the three actors in a service marketing triangle?

2. How many categories are the tourism marketing management approaches?

2.8   Services Marketing Triangle

According to the Services Marketing Triangle (Figure 3), three sorts of marketing must be carried out in order for a service marketing organization to prosper. The left half of the triangle indicates the critical importance of internal marketing (treating workers the same as external consumers) in ensuring that the organization delivers on its commitments to customers. Employees must be empowered – recruited, taught, and rewarded for excellent service – in order for promises to be maintained. The right part of the triangle represents the external marketing operations in which the organization should communicate truthfully. These operations increase customer expectations, and consumers are promised that these expectations will be realized. Aside from the standard marketing aspects (such as advertising, digital marketing, social media, sales promotions, and public relations), the mission statement of the organization.

Figure 3: Services marketing triangle.

(Source: Adapted from Bitner (1995))

At the bottom of the triangle, actual service delivery occurs. This is referred to as "interactive marketing." It is where the organization's staff connect with customers directly and where the promise is fulfilled. It is also where staff most frequently keep or break service promises. It is vital to deliver on the brand promise - whatever you say in marketing, make sure it is true; make sure you deliver on what you claim. All three marketing actions are interconnected and necessary for relationship creation and maintenance. A comprehensive marketing campaign necessitates the cooperation of all three sides of the services marketing triangle.

2.9 Tourism Marketing Management Approaches

While core marketing ideas and theories should remain the same, how they are applied should vary. As a result, the tourist marketer must employ a variety of marketing strategies, including the following:

• Making use of the expanded marketing mix

• Greater focus on word-of-mouth communication

• Increased use of emotional appeals in marketing

• Greater emphasis on personal selling

• Greater value placed on connections with suppliers, transporters, and intermediates

2.9.1 Use of the Extended Marketing Mix

The notion of the four Ps (product, pricing, location, and promotion) as marketing mix components is widely seen as overly limiting by service marketers. An expanded marketing mix that includes extra factors that may be employed by service marketers to interact with and satisfy their consumers. The components of the extended mix, like the components of the original mix,

are interconnected and may also be modified by the tourist marketer. Any or all of these can have an impact on customer purchasing decisions as well as consumer pleasure. People, physical proof, and procedures are added to the list of Ps for promoting tourist products. The people component comprises the firm's employees (their look, friendliness, and so on), customers, and other tourists in the tourism service environment. The setting in which the service is provided is the physical proof. Signage, décor, noise level, staff uniform, and equipment are examples of palpable cues. Finally, the process relates to the actual methods or flow of activities that are used to execute the tourist service. It covers both service and waiting time.

All seven Ps of the expanded marketing mix include controllable and interconnected components. A change in one component has an effect on the others. The expanded mix is more suited to the tourist and hospitality industries and provides greater flexibility. Its components must be addressed when marketers create a marketing program.

2.9.2   *Greater Significance of Word-of-Mouth Communication*

Because tourism product offerings are intangible and testing opportunities prior to purchase are limited, consumers frequently rely on the recommendations of others to a greater extent than manufactured products. These recommendations and this advice from friends, relatives, business associates, peers and opinion leaders are a powerful source of communication. (These influencers are called "reference groups". These sources of information or referral communications are what consumers use to gather information about tourism offerings and destinations. This is sometimes referred to as "word-of-mouth" (WoM) advertising or electronic word-of-mouth (eWoM). WoM marketing is one of the oldest kinds of business communication and is becoming more widespread. Word-of-mouth marketing is no longer limited to one-on-one

interactions. The effect of word-of-mouth marketing acts on a one-to-many scale in today's digital age. Travel and tourist product reviews are posted online, and opinions are shared via social media.

2.9.3   *More Use of Emotional Appeals in Promotions*

Because tourism and hospitality products are intangible, they necessitate a one-of-a-kind promoting strategy. When it comes to purchasing travel items, consumers are more likely to respond to emotional arguments. Marketers will occasionally achieve this by employing a symbol that they believe will emotionally appeal to customers in order to give a promotional campaign a particular personality. Tourism and hospitality are people industries. People both provide and receive services. As a result, emotional connection is more likely. Interactions between service providers and customers (dubbed "service encounters") create emotions and personal experiences that impact consumer behavior. Consumers also purchase tourism products to reflect their self-images.

2.9.4   *Stronger Emphasis on Personal Selling*

Because services are inseparable, an organization's frontline workers (receptionists, travel consultants, and so on) should leverage the promotional strategy of personal selling. Personal selling strategies must be taught to employees (such as up-selling and cross-selling). For example, all front-line employees should be aware with the prices of all the company's products and services, as well as the firm's website URL, Twitter handle, and even the company's tagline. It is also critical for customers to be able to recognize front-line personnel. This may be accomplished by wearing well-designed and appealing uniforms.

2.9.5   Importance of Relationships with Suppliers, Carriers, and Intermediaries

A well-executed relationship marketing campaign may have a significant impact on the marketing of tourism products. Marketers should focus on their internal and external consumer interactions, as well as their partnerships with other companies in the industry. A tourism and hospitality marketer should cultivate relationships with suppliers such as visitor attractions (natural, built, and cultural), lodging providers (hotels, guesthouses, or B&Bs), ground transportation (car rental companies as well as taxi and bus operators), carriers (airlines, railway companies, coach operators, and cruise liners), and intermediaries (tour operators, travel agents, DMOs, and so on). These supplier members are critical in delivering critical service quality.

2.10   Summary

- Intangibility, inseparability, variability, and perishability characterize tourism and hospitality marketing.
- Non-ownership, seasonality, fixed location, loyalty, and loyalty are characteristics of tourist services.
- There are numerous distribution channels and a diverse set of middlemen in the travel and hospitality industries.
- Tourism marketing management strategies include making the offering tangible, managing employees, perceived risk, supply and demand, and consistency.
- According to the Services Marketing Triangle, three types of marketing are required for a service marketing business to succeed.
- There are five approaches to tourism marketing management.

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2.12   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Non-ownership, Seasonality, Fixed Location, Loyalty, High Costs

2. True

Answers to SAEs 2

1. Organization, employees, consumers

2. Five

UNIT 3   Understanding the Tourism and Hospitality Market

Unit Structure

3.1   Introduction

The hospitality and tourist industry is vast, and income is generated via excellent customer service.

3.2   Learning Outcomes

After reading this unit, you should be able to:

- Recognize the significance of knowing consumer behavior and what drives consumers to purchase tourism products;

- Recognize the relevance of understanding consumer behavior and what motivates consumers to purchase tourism products.

- Outline the four aspects influencing consumer behavior;

- Become acquainted with the consumer journey cycle as it relates to the purchase of a vacation;

- Briefly define the various tourist consumer markets.

- Explain how tourism consumers are classified (the typologies used to classify tourists)

Self-Assessment Exercises 1

1. Define consumer behavior

2. State the factors affecting consumer behavior

3. The PESTLE model is used to analyze the internal factors. TRUE or FALSE

3.3 Tourism and Hospitality Consumer Behavior

Consumer behavior is described as "those acts directly engaged in the acquisition, consumption, and disposal of goods and services, as well as the decision processes that precede and follow these actions." It is the behavior that consumers exhibit while looking for, acquiring, utilizing, reviewing, and discarding things and services that they believe will meet their requirements. This term emphasizes the significance of the psychological process that consumers go through before, during, and after the purchase. Customer behavior is primarily concerned with connecting the consumer decision-making process to their consumption preferences and experiences. Tourism marketers must understand why their specific products are purchased or rejected, as well as the factors influencing selections. Marketers may learn about customer behavior and forecast what consumers will do by doing marketing research.

3.4 Why is the Buying Process of Tourists Unique?

In many aspects, the purchase choice for a tourist offering varies from the purchasing decision for a regular commodity. Some of these methods are detailed below.

3.4.1 No Tangible Assets

Because of the intangible character of tourist products, the potential buyer must choose among a variety of similar options while assessing an offering. Prospective vacationers, for example, have a vast range of places from which to pick, but these destinations cannot be tested like a vehicle or television before purchase.

3.4.2 Expenditure is Substantial

Tourist vacation spending is frequently considerable. There are significant financial outlays. Consumers often spend more on yearly vacations (particularly abroad vacations) than on most other consumer expenditures (perhaps with the exception of buying a home or car).

3.4.3 Purchases are not Usually Spontaneous

The majority of tourism purchases are well planned. Leisure visitors consider a variety of destinations, lodging options, modes of transportation, and tourist activities. Business travel, on the other hand, is an exception since business personnel are occasionally expected to attend a meeting or function on short notice.

3.4.4   Consumers Visit the Site of Production

Tourists travel to the destination - the place of production – to enjoy their vacation. This differs from acquiring produced items, where most people buy from a retail shop or have the product delivered to their home or workplace after purchasing it on the internet.

3.4.5   Increasingly People Need a Holiday

People — more need to take time out and go on vacation in today's fast-paced, time-constrained, and technology-driven society. Prospective tourists look forward to their vacations.

3.4.6   Prospective Travelers Anticipate Their Holidays

Consumers frequently look forward to their vacations, and for many, the destination or vacation resort does not live up to their expectations. While reading a vacation brochure, a potential visitor may build up mental ideas of an island. A hotel room with hardwood floors, a view via white wooden shutter doors, and a clear azure blue sky, with palm trees against a setting sun.

3.5   Factors Affecting Consumer Behavior

A variety of environmental and internal variables influence consumer travel behavior. External elements comprise the primary macro-environmental influences as well as the characteristics of the tourism destination. The PESTLE model is used to analyze the external factors: political, economic, socio-demographic, technical forces, legal, and ecological. There is a diverse set of

internal determinants influencing consumer travel behavior, which may be divided into four categories (Figure 4):

1. Personal factors

2. Psychological factors

3. Cultural factors

4. Social factors.

It is obvious that purchasing decisions are not made in a vacuum. Each of the four categories of elements involves a unique set of variables that influence individual consumer decisions concerning tourist products. These four elements are explained more below.
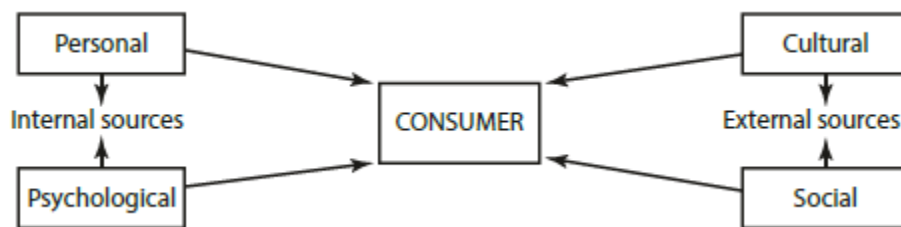
Figure 4: Factors affecting consumer behavior.

3.5.1   Personal Factors

Personal characteristics such as age and life stage, lifestyle, personality, and self-image impact consumers' tourist purchasing decisions.

3.5.1.1 Age and Life Stage

Distinct age groups have different travel interests. Consumers in their early twenties choose different vacations, modes of transportation, and lodging alternatives than consumers over the age of 55. Another strong element impacting consumer behavior in tourism is the customer's

present stage in the family life cycle (i.e. pre-family, family, and empty nesters). Consumers' lives get more chaotic and their time becomes more constrained as they advance through the model's early stages. Consumers' lives get more chaotic and their time becomes more constrained as they advance through the model's early stages. As a result, comfort, flexibility, and accessibility are becoming increasingly vital. Marketers may give decision-making information as well as online services and speedier transactions. Perhaps it is only as consumers approach the end of their life cycle do they have more spare cash and the leisure to travel. This market niche is referred described as "grey tourism" (or "senior tourism"). It is characterized by travelers above the age of 60. The grey market (also known as "grey gappers" or "silver tourists") tends to travel to several countries and has a lot of "silver money" to spend.

3.5.1.2 Lifestyle

A person's lifestyle is defined as his or her way of life as reflected by his or her activities, hobbies, and opinions. People who share the same culture or socioeconomic status, or who belong to the same reference group, may live very differently. Psychographics, a way of researching people's lives, tries to quantify people's actions, interests, and views. People spend their time doing activities and interests (for example, work, hobbies, holidays, shopping, sports and recreational activities, entertainment, and social events), whereas opinions (about politics, religion, economics, future events, education, products, and culture, for example) are beliefs about a variety of subjects.

3.5.1.3 Personality and Self-image

The distinct personality of a person determines his or her travel and tourism purchasing behavior. The sort of vacation purchased is heavily influenced by whether a person is adventurous or cautious, gregarious or a loner, confident or shy. Personality can help us understand customer behavior. Tourism marketers, for example, have discovered that backpackers (or young travellers) are very gregarious, thus backpacking motels develop surroundings where consumers can relax and socialize with like-minded travelers. The association between personality types and holiday behavior, on the other hand, is controversial. It might also be claimed that the introverted customer may choose this type of vacation in order to meet more people and become more extroverted.

3.5.2   Psychological Factors

Perceptions, learning, attitudes, and motivation are four psychological elements that impact an individual's decision to acquire tourism items.

3.5.2.1 Perceptions

Perception is the arrangement, identification, and interpretation of sensory input in order to represent and comprehend the information or environment provided. It is influenced by motivation, learning, and attitudes, and is particularly tied to prior (travel) experience. It refers to how customers use their senses - sight, hearing, taste, touch, and smell – to make a decision while purchasing a tourism service. Because tourist items are intangible (they cannot be seen or evaluated beforehand), consumers must make judgments based on how they perceive things. As a result, marketers must make an effort to capture the attention of customers. This is one of the

reasons why hotels and airlines frequently modify their décor, furnishings, and layout (the tangible proof). Customers are drawn to items and features that are unique and stand out.

3.5.2.2 Learning

The process through which individuals acquire purchase and consumption knowledge and experience that they apply to future related behavior is referred to as learning. When consumers use a tourism product, they learn about it. People also gain experience through a number of different means, such as listening to others. The customer accumulates a mental inventory of items and positive or negative experiences. Because cognitive learning recognizes that customers actively impact the outcome, the learning process is not always straightforward for a marketer to control. The five components of cognitive learning are as follows:

a. Drive (motivation) is a strong internal stimulation arising from a consumer's desire or purpose. The urge to maximize the advantages of a purchase might fuel the desire to study.

b. Cue. A cue is a weaker internal motivator that stimulates learning than a drive. It is both outward and particular.

c. Response. This is how customers react to driving and cuing. This might lead to a purchase.

d. Reinforcement. The goal is to convince customers to identify the service with certain benefits (for example, health benefits from taking a holiday).

e. Retention. This is the consistency of the learnt content across time (i.e. how well it is remembered). Advertising jingles, for example, have extraordinarily high retention. Reasoning is generally involved in cognitive learning. To recall knowledge, people must reflect about what they are seeing or hearing. Since of the nature of tourism, where consumers are typically very involved with the offering, information is digested and assimilated much more efficiently

because they are thinking about the product a lot more. Nonetheless, given the prevalence of low-cost flights and hotels, one may argue that tourism has become more transactional, and hence customers are less invested in such offers.

3.5.2.3 Attitudes

An attitude is a subjective assessment of an object or level of like. People have sentiments and opinions about a variety of topics, including religion, politics, cuisine, clothing, and sports. People's attitudes influence whether they like or dislike something. Indeed, views regarding a particular brand, product, or service have a major effect on purchase behavior. Attitudes apply to product knowledge (travel locations) as well as people and events. Nowhere is this more apparent than in the hospitality industry: if a consumer has a terrible experience at a resort, hotel, or restaurant, it is probable that they will acquire a negative attitude that will discourage them from returning.

Self-Assessment Exercises 2

1. What is the widely utilized motivation theories in marketing?

2. Define a reference group

3.5.2.4 Motivation

Motivation (Figure 5) is the awakening of a drive or need that drives people to action in pursuit of goals. In the tourist sector, the word is overused. The incentive for traveling should not be confused with the purpose for traveling. For example, "to see friends or relatives" is not a valid

reason to travel. Consumers are motivated to purchase tourist offerings for a variety of reasons. One explanation for the lack of knowledge of tourism motivation is that customers may find it difficult to recollect and describe what inspired their identification of the desire for vacation.

Attitudes:
Evaluative statements or judgements concerning products, people or events

Cognitive factor
The *opinion or belief* sector of an attitude

Affective factor
The *emotional or feeling* sector of an attitude

Behavioural factor
An intention to *act in* certain way towards someone or something.
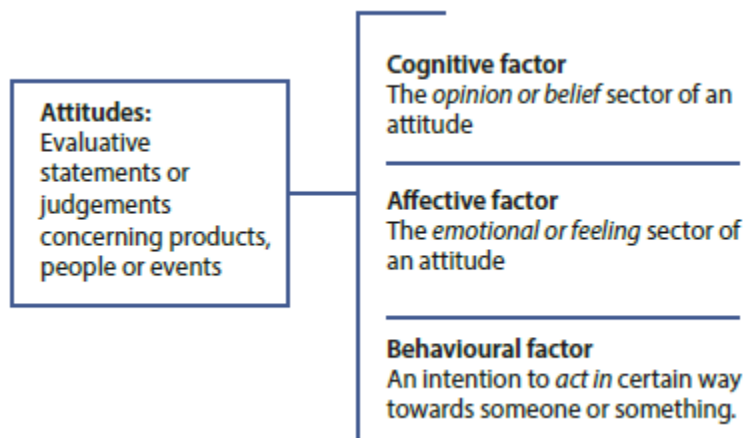
Figure 5: Attitudes model.

(Source: Adapted from Rosenberg and Hovland (1960))

Maslow's hierarchy of individual needs (Figure 6), portrayed as a pyramid, is one of the most widely utilized motivation theories in marketing. The essential physical demands of survival - food, water, rest, and shelter – lie at the bottom of the pyramid. He contended that these demands, as well as the next layer of security and safety needs, must be met on a regular basis before individuals will focus on social needs or the desire for self-esteem and status. For example, if customers believe that a hotel chain provides a sufficient assurance of food, shelter, and security, they will disregard physical and safety demands. In this situation, the marketer must appeal to consumers who have higher-level requirements, such as status. The desire for self-development (self-actualization in Maslow's words) is the most advanced level of needs. The pursuit of personal fulfillment of one's potential is referred to as self-development. Several

attempts have been made to categorize tourism reasons. There are six types of travel motivations (excluding business travel).
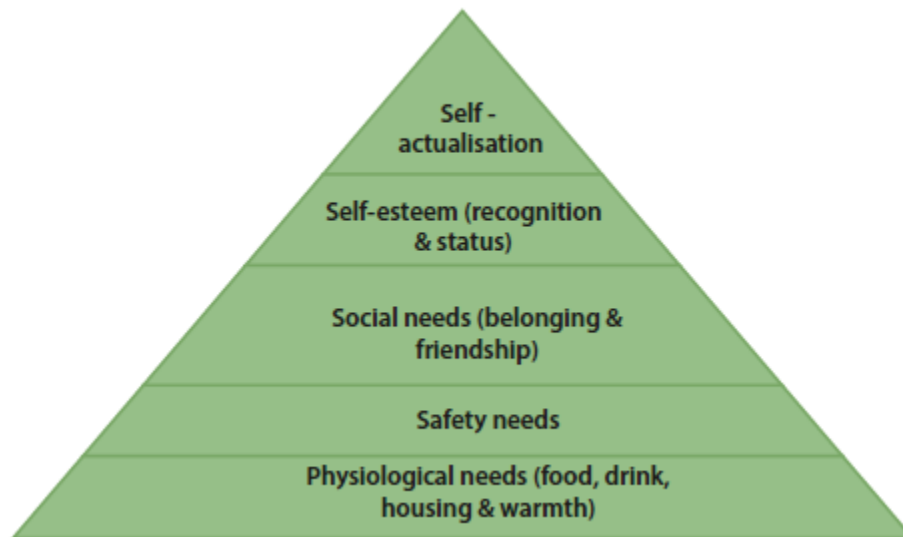
Figure 6: Maslow's (1954) hierarchy model.

(Source: Adapted from Maslow (1954))

3.5.3   Cultural Factors

Every customer belongs to a specific culture, ethnic group, and social grade level. These cultural variables assist customers in making sense of and relating to their surroundings. Particular habits are closely associated with certain cultures but not with others.

3.5.3.1 Culture and Ethnic Groups

Culture is the collection of learned ideas, values, and conventions that guide the purchasing habits of individuals of a specific culture. Culture is made up of what a group shares and what

sets it apart from other communities. Language, food, dress, art, religion, and architecture are all ways for a people to display its culture. Many of these components are passed down via generations. Culture plays a vital part in the tourist sector. Culture influences how individuals interact, show their sentiments (for example, the British are sometimes perceived as being more reserved than their American counterparts), and socialize (for example, over a barbeque or taking part in or watching outdoor sporting events). Similarly, in certain cultures, but not all, vacations are regarded as rights and necessary for stress relief ("going on vacation, taking a break from work"). Businesses are increasingly interested in marketing services to ethnic groups within a certain community as an illustration of the value of culture. Many European countries have considerable ethnic populations. Similarly, the US has a sizable Hispanic, Black American, and Latino population. When these groups are large and profitable enough, they provide marketing possibilities.

3.5.3.2 Social Grade

The social grade to which consumers belong or desire to belong (or not!) has a profound impact on their purchasing behavior. Horner and Swarbrooke (2016): 63. Consumers' social grade (or class) impacts how much money they make and how they spend it. An upper, medium, and lower class are common class structures. Typically, occupation level, education, lifestyle, and income indicate social class. ?? Is taking a vacation a luxury reserved solely for those with the resources to travel?

3.5.4   Social Factors

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Consumers and their decisions are heavily impacted by the people with whom they encounter, either directly or indirectly. Reference groups and family are important social influences.

3.5.4.1 Reference Groups

A reference group (Figure 7) is a group of people who affect a person's purchasing behavior. People make decisions (such as where to go on vacation) depending on their present reference groups (or groups they aspire to join or groups fromwhich they wish to disassociate themselves). A considerable portion of people's purchasing behavior is influenced by reference groups. Family and friends, music and television personalities, a social club, the workplace, social networking sites (such as Instagram, TikTok, YouTube, Twitter, and Snapchat), a university, or a church are examples of these groupings. They assist customers in giving meaning to tourist products and services. Regardless of the size of the reference group, marketers must identify which reference groups impact their consumers and how to capitalize on this effect.
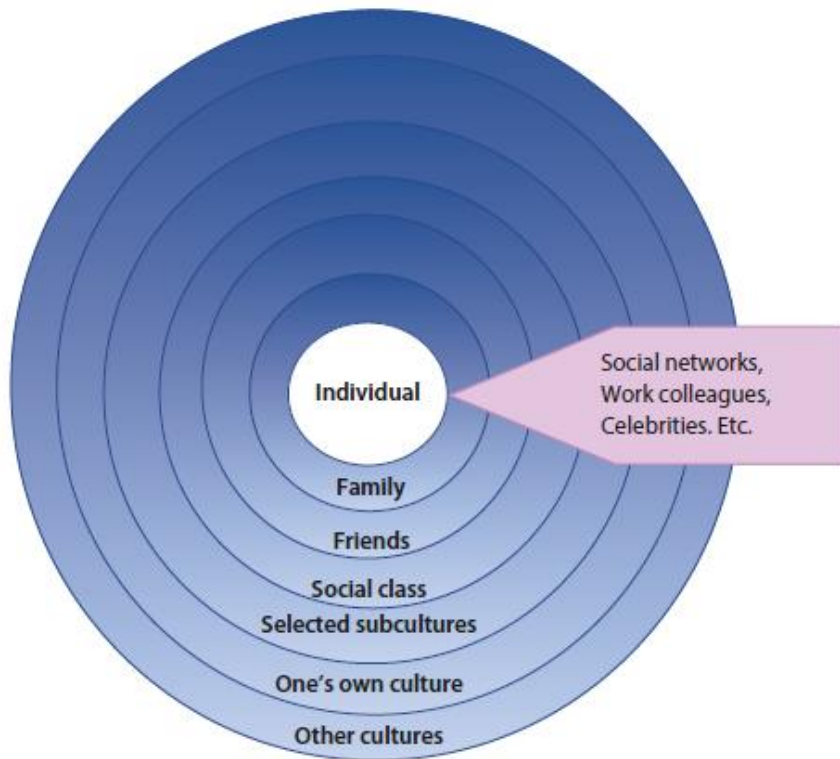
Figure 7: Reference groups.

(Source: Author's creation)

3.5.4.2 Family

The family is one of the most powerful reference groups, as customers often connect closely with their relatives. Children have a significant effect on the buying of tourism items. Multi-generational travel — including parents, children, and grandparents in vacation planning – has become one of the tourism industry's fastest-growing areas. "Genervacations" are especially popular with university students and people in their late twenties and early thirties. With many multi-generational travel blogs and influential families active on social media platforms such as Instagram and YouTube, resorts and travel brands will continue to cater to an all-ages family

travel experience — from the services they provide to the campaigns they promote in the digital marketing space.

3.6   Consumer Markets in Tourism

The tourist market is tremendously diversified, with several groups sharing similar consumer behavior patterns. Several of these market sectors are also referred to as "niches" at times. A niche is a market sector with a well-defined product that may be adapted to the consumer's interests. It is a subset of a wider target market with comparable lifestyle features and recognized inclinations. Over the last decade, several types of niche tourism (also known as "adjectival tourism" or "speciality travel") have evolved, each with its own adjective. Many of these words have become commonplace in the tourist business as well as among academics. Other phrases for niche tourism refer to somewhat obscure or fresh topics that may or may not become more popular and mainstream. Nichetourism is an alternative to mass tourism, which is homogeneous and undifferentiated. Its global influence – spanning from space tourism to gastronomy tourism – suggests that "even the most extreme corners of the human imagination can be catered for in a packaged fashion."

3.7   Summary

- The term "consumer behavior" refers to "those activities immediately involved in the purchase, consumption, and disposal of products and services, as well as the decision processes that precede and follow these actions."
- There are six reasons why the tourist buying process is distinctive.
- Personal, psychological, cultural, and social factors all influence consumer behavior.

3.8 Glossary

Consumer: Consumer is the final user of a purchased product or service

Demand: It is the quantity of consumers who are willing and able to buy products at various prices during a given period of time.

Destination: It a place to which one is journeying

Employee: Employee is a person who is paid to work for another.

Hospitality: It is a generous and friendly treatment of visitors and guests or hospitable treatment

Industry: It is a group of companies that are related based on their primary business activities.

Information: It is a knowledge communicated or received concerning a particular fact or circumstance

Management: It is the coordination and administration of tasks to achieve a goal

Marketing: These are activities a company undertakes to promote the buying or selling of a product or service

Orientation: It is the act or process of orienting or of being oriented

Philosophy: It is a theory or attitude that acts as a guiding principle for behaviour.

Planning: It is the act or process of making or carrying out plans specifically

Principle: It is a comprehensive and fundamental law, doctrine, or assumption.

Process: it is a series of actions or steps taken in order to achieve a particular end.

Relationship: It is the way in which two or more people or things are connected, or the state of being connected.

Sale: It is the exchange of a commodity for money

Strategy: It is a plan of action designed to achieve a long-term or overall aim.

Supply: It is the total amount of a specific good or service that is available to consumers

Tourism: It is the activities of people traveling to and staying in places outside their usual environment for leisure, business or other purposes for not more than one consecutive year.

3.9   References/Further Readings

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3.10   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Consumer behavior is described as "those acts directly engaged in the acquisition, consumption, and disposal of goods and services, as well as the decision processes that precede and follow these actions."

2. Personal, Psychological, Cultural, Social factors.

3. False

Answers to SAEs 2

1. Maslow's hierarchy model.

2. A reference group is a group of people who affect a person's purchasing behavior.

MODULE 3 MARKETING RESEARCH AND PLANNING OF TOURISM AND HOSPITALITY

Unit 1 Tourism and hospitality marketing research

Unit 2 The marketing research process

Unit 3 Tourism and hospitality marketing planning

Unit 4 Tourism and hospitality marketing process

UNIT 1   TOURISM AND HOSPITALITY MARKETING RESEARCH

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1.1 Introduction

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   1.5.2   Planning and Solving Problems

   1.5.3   Assisting with Forecasting

   1.5.4   Developing Knowledge About Consumers

1.6   Summary

1.7   References/Further Readings

1.8   Possible Answers to Self-Assessment Exercise(s) within the content

1.1   Introduction

Understanding the characteristics, interests, attitudes, and views of tourists and the travel industry is a critical first step for every tourism location. Market research may also help you explore new markets and track the growth of your tourist industry.

1.2   Learning Outcomes

After reading this unit, you should be able to:

- Why tourism organizations need to conduct marketing research;

- Differentiate the various types of research used in tourism and hospitality

- Identify stages of marketing research?

- Describe the sources of secondary data collection in tourism and hospitality marketing research;

- Differentiate the various types of survey contact methods;

- Describe the importance of questionnaire layout,

- Design a well-organized marketing research report

Self-Assessment Exercises 1

What is Marketing Research?

Marketing research is a subset of "market research. TRUE or FALSE?

1.3   What is Marketing Research?

Marketing research refers to the collection and analysis of information intelligence. It is relevant at all stages of marketing planning. Marketing research encompasses all sorts of research conducted to aid marketers in investigating all aspects of the tourist marketing mix, including offers, distribution (location), pricing, promotion, people, physical evidence, and process. Research also assists marketers in better understanding the marketplace in which they operate, including tourism suppliers, tour operators, travel agents, rivals, and customers. The three roles of research are as follows:

1. The descriptive function is concerned with the process of determining what to list, report on, and describe (the "who," "what," "how," and "where" of customer behavior).

2. The diagnostic role entails the explanation ("why").

3. The predictive function integrates the first two types of research to recommend a plan of action (that is, how to use the research).

Descriptive research is often used in tourism and hospitality marketing research (particularly consumer behavior); organizations and destinations need to know who goes there, when they go, how they get there, what they thought of the offering, and other fundamental consumer behavior information. Another reason descriptive research is popular in the business is because levels of engagement in tourism activities fluctuate as markets change. However, descriptive research cannot be used to answer "why" questions (for example, "Why do you believe the service is unsatisfactory?"). Experimental research (for example, causal research) is used to assess relationships between variables and, as a result, is used to answer "why" questions. Due to the high level of intricacy needed, this form of study is rarely employed for small tourism/hospitality enterprises.

1.4 Marketing Research versus Market Research

Market research (Figure 8) is a sort of study into customer preferences, as well as the expectations and patterns of behavior of rivals and other stakeholders. Market research is applied study that is carried out to address particular questions. Marketing research encompasses all of the research conducted to assist tourist marketers in making marketing decisions (including secondary research and competitor analysis). Market research is thus a subset of the broader phrase "marketing research."
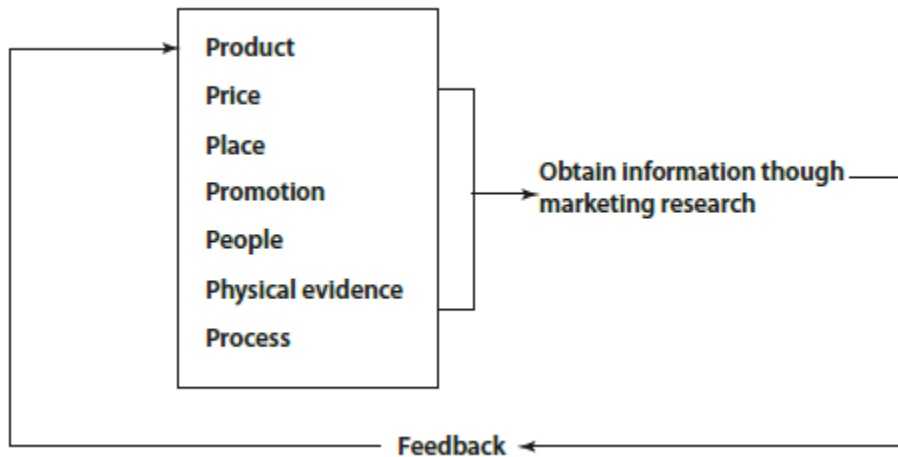
Figure 8: Marketing research in tourism and hospitality marketing mix.

(Source: Author's creation)

Self-Assessment Exercises 2

1. How many are the basic reasons for conducting marketing research?

2. ………………… cannot guarantee correct judgments, but it may help marketers and management decrease risk and ambiguity when making

1.5　Why the need for Marketing Research?

Many marketers make the mistake of focusing just on the marketing mix and ignoring marketing research. The marketing mix must be tailored to the needs of the customers. As a result, research should be regarded as an essential component of marketing strategy. Furthermore, until marketers conduct research to determine their clients' requirements and desires, they cannot be certain that the tourist product will appeal to them. There are several more reasons why tourist organizations should do marketing research and collect marketing information. Marketing research is fundamental to any feasibility study. Marketing research is conducted by consultants and developers to examine the potential of resorts or to evaluate specific locations for the development of hotels, visitor attractions, or retail complexes. The five basic reasons for conducting marketing research are as follows:

1. help make marketing decisions and reduce risks

2. plan and solve problems

3. assist the marketer in forecasting

4. develop knowledge of past and potential consumers

5. obtain information about competitors.

These factors are described more below.

1.5.1　Making Decisions and Reducing Risks

Marketing research cannot guarantee correct judgments, but it may help marketers and management decrease risk and ambiguity when making decisions. It lowers their chances of making the erroneous judgment.

1.5.2 *Planning and Solving Problems*

Marketing research is essential for strategic planning. It enables organizations to discover and resolve issues. Finally, it permits organizations to become more efficient. When utilized for planning, marketing research focuses on identifying opportunities. It takes into account issues such as the following:

- What sorts of customers buy our tourist products? (Gender, age, and socioeconomic class)

- What country are they from? (catchment zone)

- How much money do they make? (Economic and social qualities)

- How many do you think there are?

- What are their thoughts about our facilities or service? (assessment of customer happiness)

Marketing research should be employed at all stages of marketing strategy (that is, internal and external situation analysis, setting goals and defining objectives, strategic decisions, implementation, and monitoring). Marketing research, when applied for issue resolution, focuses on short- or long-term decisions that tourist organizations (including destination marketing organizations) must make about aspects of the marketing mix (the four Ps). Marketing research is vital in producing satisfying earnings since it promotes a knowledge of how to meet consumer demands and desires. Furthermore, marketing research is conducted on rivals, suppliers, and stakeholders (including governmenttourism policymakers).

1.5.3 *Assisting with Forecasting*

Marketers must stay current on trends, developments, and projections affecting their product offerings and markets. Marketing research enables a marketer to create a market forecasting system based on marketing information. A marketing research information system is the method through which a corporation collects, uses, and disseminates marketing research. The domestic and international tourist markets are always evolving. Similarly, tourist marketers may acquire insight into developing trends and follow dialogue in real time by employing social media analysis tools and scanning the most recent postings.

1.5.4   Developing Knowledge About Consumers

One of the most essential reasons for performing marketing research is to assist tourism and hospitality organizations in acquiring extensive information on their customers, including new, existing, potential, and lapsed customers. It informs the management on how the organization is satisfying customer requirements and wants, and it aids in determining the organization's market position. Through satisfaction surveys and referral rates, it may be used to monitor client retention rates ("relationship marketing"). This research information may then be utilized to create customer profiles.

1.6   Summary

- The collecting and analysis of information gathering is referred to as marketing research.
- Thus, market research is a subset of the wider term "marketing research."
- There are five primary reasons to do marketing research.

1.7   References/Further Readings

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1.8   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Marketing research refers to the collection and analysis of information intelligence.

2. False

Answers to SAEs 2

1. Five

2. Marketing research

UNIT 2   THE MARKETING RESEARCH PROCESS

Unit Structure

2.1   Introduction

The marketing research process is concerned with gathering insights from your target population that can assist you in evaluating current products, services, or testing concepts targeted at enhancing them.

2.2 Learning Outcomes

After reading this unit, you should be able to:

- Describe the five stages of marketing research process

- Know the structure for a research report

Self-Assessment Exercises 1

How many are the stages of the marketing research process?

State the three categories of classifying the marketing research

2.3 Background of the Marketing Research Process

Marketing research activities are often conducted in a systematic manner, which means that the processes followed in each stage (or phase) of the research process are methodologically sound, well-documented, and, to the greatest extent feasible, prepared in advance. This approach has five stages (Figure 9), which begin with recognizing the Marketing Decision Problem (MDP). These steps involve establishing the research topic and objectives, researching accessible resources (secondary research), developing the study plan (primary research), analyzing and interpreting the data, and presenting the findings.
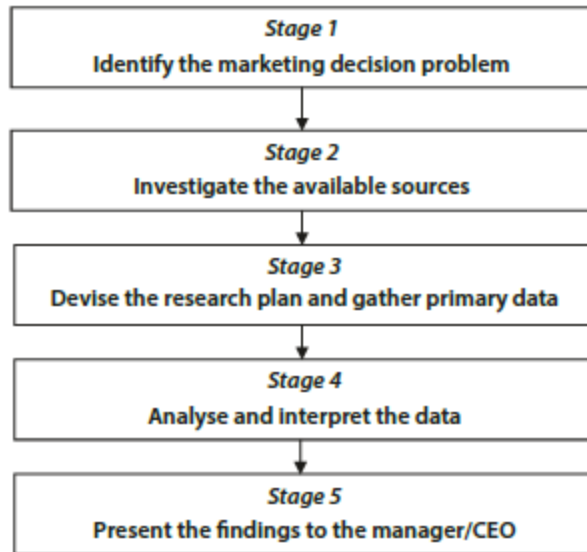
Figure 9: Stages in the research process.

(Source: Author's creation)

2.4 The Marketing Research Process

2.4.1 Stage 1: Identify the Marketing Decision Problem and Set or Define the Objectives

A Marketing Decision Problem (MDP) is a statement that describes the goal of the study. Before obtaining information, establish the marketing problem to be explored and create a research brief (or proposal). A research brief is a formal document written by a marketer that describes the research challenge to be researched. Defining the MDP and determining the study objectives is sometimes the most difficult part of the research project process. Getting the MDP and goals properly is crucial to the project's success since they provide the groundwork for the subsequent stages of the marketing research process. It is critical that the decision-maker (for example, the marketing director) collaborate closely with the marketing researcher to uncover any management issues. Decision-makers in tourism and hospitality organizations have the greatest understanding of the marketing issue for which information is required, and researchers have the

best understanding of how to gather relevant information (the suitable technique to utilize) in order to address the MDP. The discovery of a research challenge does not always signify the presence of a big danger to the firm. The MDP should be expressed in the form of a problem statement. This is critical since it guides the entire research process. Some cases demand simply a short issue description, but others require a lengthy statement of the research project's aim. Once the MDP has been identified, the researcher should develop a set of study objectives (which also be expressed as research questions). A careful and clear formulation of research goals is essential for producing accurate and helpful marketing research results. These objectives, if met during the research process, will ensure that the study solves the issue statement. They will also serve as criteria for determining the relevance of the questionnaire and the different sets of scale items (statements that quantify answers), known as "constructs," or other research instruments to be utilized in the process's primary research stage. A construct is a practical tool for measuring an idea or testing a metric. The research instrument SERVQUAL, for example, comprises 22 scale elements. Measurable and explicit research objectives are required. A report brief/proposal that is too wide is one of the key reasons why researchers do not do good study. This is a general statement that necessitates one or more specific research objectives, such as determining the proportion of survey respondents who spotted a certain newspaper advertising.

A. Types of Marketing Research

Marketing research is classified into numerous kinds. As a result, the marketing researcher must carefully examine the sort of study necessary. This research requirement might be established based on one of three categories of study:

1. Methodology: Quantitative and qualitative

2. Objectives: Exploratory, descriptive, andcausal

3. Source: Primary and secondary

1. *Methodology: Quantitative and Qualitative Research*

The distinction between quantitative and qualitative research is that quantitative research data is numerical, but qualitative research data is not. As a result, quantitative research refers to investigations that can be quantified. Quantitative research allows researchers to determine how many respondents agree or disagree with a certain proposition, but it is unlikely to give insight into why respondents replied the way they did. Quantitative research (sometimes known as "quant research") contains facts and figures, factual information on market features (such as customers' socio-demographic data) and the destination (such as visitor counts and spending habits), and statistics on the organization's success (sales figures and market share). Quantitative research is often based on organized surveys that pose the identical questions to each responder. It is descriptive rather than analytical in character. Most qualitative research, which is more in-depth than quantitative research, is open-ended, with small samples of selected persons invited to express their opinions. In general, qualitative research questions begin with "What do you believe...", "Explain...", "Why...", or "Describe...". This form of study can be done one-on-one or in a focus group setting. It is possible to mix quantitative and qualitative research. This type of study is known as **"triangulation" or "mixed technique."** *Triangulation research* is an attempt to map out, or better explain, the diversity and complexity of human behavior by examining it from several perspectives. Triangulation research entails combining several research methods to investigate a single topic. Although triangulation is more complicated and

resource intensive, the quantitative and qualitative approaches can complement each other to provide a deeper understanding of the research problem.

2. *Objectives: Exploratory, Descriptive, andCausal Research*

Marketing research aims are classified into three types: exploratory, descriptive, and causal.

Exploratory research aims to generate preliminary findings and give direction for further study. It is an examination into an issue or circumstance that gives insight to the researcher and is utilized when little is known about a specific management challenge that needs to be investigated further.

- It explains ambiguous circumstances. Exploratory research is essential for the following reasons:

- It sheds insight on the nature of an ambiguous issue (in other words, to gather information that will help define the research problem).

- It indicates any particular objectives or facts that require further investigation.

- It aids in the identification of ideas that might lead to new business prospects.

- It may be used to characterize the market's size and composition.

Exploratory research employs a variety of empirical approaches (such as in-depth interviews, focus groups, pilot studies, surveys, and feasibility studies) as well as non-empirical techniques (such as secondary data sources and content analysis). When performing exploratory research, the researcher should be willing to shift course as a consequence of fresh data or new ideas.

The marketing researcher can use **descriptive research** to describe the tourism phenomenon under investigation. It makes no attempt to explain why the phenomenon occurs. This type of

research produces information about the characteristics of objects, people, groups, organizations, or environments. In tourism, descriptive research helps to develop tourist flows and patterns (including statistics on length of stay, purpose of travel, type of accommodation used, activities engaged in, and expenditure), descriptions of travel experiences, and consumer behavior (for example, steps in decision-making andconsumer typologies). Descriptive research can be conducted using quantitative, qualitative, or a combination of both methodologies.

Exploratory or descriptive research is typically used to develop **causal research**. This form of study is inextricably tied to the application of quantitative methods. It entails using variables and hypotheses to support or deny causal links between two or more variables. For example, a tourism marketing researcher would investigate the following hypothesis: "High entry costs will reduce traffic to the tourist site during the off season." The independent variable in this case will be entry costs, and the dependent variable will be visitor rates. The researcher would collect data and use multivariate statistical techniques such as t-tests and analysis of variance, also known as "ANOVA" (for exploring differences between groups in the sample), as well as factor analysis (for analyzing the interrelationships among variables), to prove or disprove the expected relationship between the two variables. Other sophisticated statistical research approaches include cluster analysis, which is used to segment a population, exploratory factor analysis, which is used to reduce a big list of qualities to a smaller collection of common themes, regression analysis, and structural equation modeling (SEM) (fortesting the statistical relationships betweenindependent variables and dependent variables).

3. *Source: Primary and Secondary Research*

Primary research (also known as field research) is knowledge created through fresh research.

Techniques such as surveys, interviews, and observations are included. It is information gathered for a specific purpose. Primary research produces two types of data: quantitative data and qualitative data. Such research is particularly commissioned by a company to aid in marketing choices. It necessitates the collection of data that is not available from any secondary or desk source. An example of primary research is a survey commissioned by a hotel group to assess the current sentiments of business customers regarding its own and other hotels competing in the same market. Secondary data (also known as desk research or documents-and-deskresearch) is information gathered for purposes other than solving the situation at hand. In this way, the researcher becomes the data's secondary user. Secondary data includes all public sources, including government sources, trade organization statistics, firm annual reports, and commercial companies' market surveys. The United Nations World Tourism Organization (UNWTO), for example, provides annual reports with information on international visitor flows between nations, tourist-generating countries, foreign tourist expenditure, and so on (Table 3).

2.4.2 Stage 2: Investigate the Available Sources (Secondary Data or Desk Research)

After identifying the marketing research problem and deciding on research objectives or questions, the next stage of the marketing research process involves reviewing existing sources of information – both internally and externally – to determine what, if anything, is already known about the problem. This enables the researcher to assess whether or not primary data (new data collection) is necessary. Primary data gathering is generally costly and time intensive, thus it is critical to determine whether the information is already accessible. Data that already exists is referred to as "desk research" or "secondary research." A significant quantity of valuable information may be discovered in the organization's existing records (or may have been

researched by a competitor). These information sources are referred to as "internal databases." They are electronic compilations of consumer market data gathered from data sources within the organization's network. The database's information might come from a variety of sources.

Table 3: Types of marketing research used in tourism

▣ Table 4.3	Types of marketing research used in tourism				
	Quali-tative	**Quanti-tative**	**Pri-mary**	**Sec-ond-ary**	**Examples**
Exploratory research	✓		✓		Interviews, focus groups, experiments, and content analysis
Descriptive research	✓	✓	✓	✓	Segmentation, surveys, and secondary data (for example, a theme park's visitor satisfaction survey)
Causal research		✓	✓	✓	Surveys, longitudinal studies, and secondary data (for example, UNWTO, WTTC, or a country's NTO statistics)
Source: Author's creation					

A. The Potential of Secondary Data in Tourism Research

Researchers can use secondary data analysis to accomplish the following tourist research projects:

- Examining trends across time
- Investigating statistical links
- Mapping regions/countries
- Making international comparisons

1. *Secondary Data for Tourism and Hospitality*

The amount of secondary data accessible in today's media era is astounding. Tourism and hospitality researchers must become acquainted with the data relevant to their research (Table 4). The majority of the information supplied is quantitative or numerical in nature (such as details of tourist numbers, accommodation occupancy rates, city or country rankings, average tourist spend, contribution to gross domestic product, and so on). Secondary data sources include academic publications, international organizations, government agencies, and commercial sources...

Table 4: Tourism and hospitality secondary data

Type of secondary data	Description and examples
Refereed academic journals (peer-reviewed)	An academic journal is a periodic publication in which academic research is authored by specialists, assessed by other professionals (peers), and then transmitted to a larger audience. Academic journals and books are

	important secondary data sources for students and other researchers who want to obtain study findings in all areas of tourism and hospitality research. They are especially effective at the research process's literature review stage. Academic journal articles benefit from a rigorous peer review procedure, which improves the quality and objectivity of the published results. This textbook makes several references to tourism, hospitality, and marketing periodicals.
Academic books and-books	Since the early 1990s, academic literature on tourism and hospitality management have flourished and proven to be an essential resource for scholars. E-mail alerts can be used by tourism researchers to find a research subject or gather information. When an issue of a journal that the researcher is interested in is published, an e-mail is delivered to him or her. Researchers can also be notified through email when publications containing specific keywords or written by specific authors are published. Researchers can sign up for e-mail alerts from major journal publishers such as Sage or Elsevier. They may then tailor their research results to their own interests and receive notifications when relevant papers are referenced.

International tourism and hospitality bodies	International governing organizations compile information from central government agencies and national data services. The United Nations World Tourism Organization (UNWTO) and the World Travel and Tourism Council are the two most major sources of worldwide tourism data (WTTC). The Organization for Economic Cooperation and Development (OECD) publishes a variety of travel and tourism titles, while the World Economic Forum (WEF) and the International Air Transport Association (IATA) both issue studies that may be accessed on their respective websites.
Internet/online search engines	The internet is a valuable source of secondary research material, particularly because many of the organizations' publications described in this section are available online as a more convenient alternative to hard copy. Tourism researchers may also utilize ResearchGate, a scientific and research social networking site where they can exchange articles, ask and answer questions, and discover partners. There are about 150 million publications and 15 million members on the internet (researchers).
Online databases	Researchers can access a variety of online databases,

	including EBSCO (7 ebsco.com) and Cornell University's Hospitality and Tourism Index (7 johnson.library.cornell.edu/databases/), a bibliographic database covering English language hospitality and tourism journals and trade magazines dating back to the early 1960s.
Governmentofficialstatistics andpublicrecords	Most governments have more marketing data than other external secondary data sources because they have legal access to data that private organizations or people cannot get. In the United Kingdom, for example, the Office for National Information (ONS) publishes socioeconomic and demographic statistics (referred to as census data). Tourist statistics, such as the migration of domestic and international tourists, tourist arrivals, hotel occupancy, purpose of visit, method of travel, where tourists come from, and how much money they spend, are also available. Similarly, VisitBritain, the UK's DMO, conducts quarterly studies of the country's incoming visitor arrivals markets. VisitBritain also conducts monthly exit surveys at the country's major land exit sites and airports. This study covers information on the purpose of international visitors' trips, travel arrangements,

	destinations visited, expenditure, and impressions of facilities, service levels, and safety, as well as overall ratings of visits.
Commercialsources ofdata	Data is generated by commercial organizations on topics such as market trends, visitor satisfaction, employment, and tourism spending. However, due to the business nature of this data, it is frequently proprietary (referred to as commercial secrecy) or difficult to get. Tourism studies from for-profit research firms can cost thousands of pounds/dollars. The issue of commercial secrecy can be addressed by engaging the organization and emphasizing the research's restricted circulation (for example, by stating that theresearch project will stay within the confines of your university). Large tourist and hospitality organizations, such as airlines and hotel chains, have their own research departments and issue yearly reports with useful statistical data. (These yearly reports are normally open to the public and will be sent to you upon request.)
Tradejournals,magazines,andnewspapers	Trade journals/magazines give a combination of news and practical ideas. Trade publications are valuable for reporting on recent events as well as trends and

	opinions in the tourist and hospitality industries. Magazines and bulletins issued by various industry organizations and government agencies are examples of travel trade periodicals. They do, however, have the drawback of being unscientific and journalistic in nature as a source of data. These sources are very helpful for generating research subject ideas and research issues. Trade publications are not as commonly available in university libraries as academic journals; nonetheless, most trade groups will have a website.
Theses	These are an excellent source of knowledge when putting together a large research project, such as a Master's or PhD. Unfortunately, they might be difficult to find and access since the granting institution may only have one tangible copy. EThOS is a thesis service that intends to increase the exposure and accessibility of doctorate research theses in the United Kingdom.
Miscellaneous sources of data	Several universities publish research and data on their own campuses. The University of Hawai'i at Mnoa School of Travel Industry Management (TIM), Cornell University's Hospitality Database, Articles in

	Hospitality and Tourism (AHT) (previously by the University of Surrey and Oxford Brookes), and the Lodging, Restaurant and Tourism Index (LRTI) are a few examples (formerly by Purdue University). The International Academy for the Study of Tourism is housed at Hong Kong Polytechnic University. Furthermore, the Athens Institute for Education and Research (ATINER) maintains a Tourism Research Unit that organizes an annual conference and produces a magazine (the Athens Journal of Tourism) (AJT). The CornellHotel School's Center for Hospitality Research (CHR) provides a wide range of easily available publications targeted at giving particular techniques for tackling hospitality industry concerns. The Centre International de Recherches d'Etudes Touristiques (CIRET), a French organization, has developed a website that includes a global database of academic institutions (850 in 120 countries) and individual researchers (more than 5 400). Over 175 000 documents relevant to tourism, leisure, recreation, and hospitality have been computerized in the 2020 database, including books, journal papers (including refereed articles from over 180 publications), and

	reports.

2.4.3 Stage 3: Devise the Research Plan and Gather Primary Data (Field Research)

After assessing all available secondary data sources, a strategy must be established to determine what more information is necessary and how to gather it (a methodology). The primary research should then be carried out by the researcher. As previously stated, this entails gathering fresh study data. We will first examine several qualitative methods for collecting primary research data, such as interviews, focus groups, and content analysis.

Self-Assessment Exercises 2

1. What is an in-depth interview?

2. Describe a focus group

2.4.3.1 Qualitative Research

Very rarely is enough information available about a marketing challenge for a researcher to move into the field and conduct a quantitative study. Thus, qualitative research is conducted to get a general sense of the problem before the researcher moves on to the analytical portion of the study. Open-ended (also known as "open-ended") questions are used in qualitative research methodologies, which are less structured than regular questionnaires. Because the number of responders is often small, the conclusions may not be representative of the overall population.

However, qualitative approaches are useful for getting client insights and viewpoints. Online bulletin boards, chat rooms, social media, and other devices are now used in qualitative research. Individual in-depth interviews, focus groups, observational methods, content analysis, and experiments are the five most commonly utilized qualitative research methods in tourist marketing. These research approaches are explained in more detail below.

1. *Individual In-Depth Interviews*

In-depth interviews (also known as "deep interviews") are frequently done face-to-face with the responder because the researcher can identify nonverbal communication (NVC) or body language more easily. The interview topic is thoroughly investigated. Individual (one-on-one) in-depth interviews are underutilized and should be used more frequently by tourism and hospitality marketing studies. They are beneficial for the following reasons:

- They can be utilized in cases when the small number of subjects (for example, employees in a business) makes quantitative research approaches undesirable.
- Familiarity and adaptability. An interview is a dialogue, not a strange or foreign manner of gathering information from someone. They are adaptable because you may modify the phrasing and sequence of the questions you ask to ensure you get the greatest depth and information from each person.
- In-depth interviews are especially effective in consumer markets for learning about new product development, product offering benefits, and decision-making.
- They can be used as a preliminary stage in developing a more formal questionnaire.

An in-depth interview is a qualitative data gathering strategy in which an interviewer speaks one-on-one with the interviewee in attempt to identify a consumer's underlying opinions and/or motives. Individual (in-depth) interviews are viewed as the primary alternative to focus groups. In-depth interviews, on the other hand, prevent comments that are influenced by others. They have a lot of benefits and drawbacks. Because interpretation is essential, the success of this research approach is totally dependent on the interviewee and the skill of the interviewer. Furthermore, responders must be carefully chosen to offer representation. Consumers and busy industry key players are sometimes difficult and costly to engage for interviews (if travel is required). Non-directive or semi-structured in-depth interviews are both possible. ***Non-directive interviews*** allow the respondent entire freedom to react to the issue of interest. Interviews lasting one to two hours can also be videotaped (with the respondent's agreement) so that every word is taped and afterwards transcribed. Semi-structured interviews (also known as "targeted individual interviews") cover a list of themes or subareas. This form of interview takes more ability than non-directive interviews since the interviewer must select how much time to devote to each subject area. Semi-structured interviews with executives and thought leaders are beneficial. Semi-structured interviews do have a framework that is based on the creation of a question (an interview) guide that identifies the essential components that must be covered throughout the interview. The interview guide's content should be based on your study questions/objectives, and it should be memorized. What-if procedures or projective techniques elicit responses from individuals to fictional or anticipated events

2. *Focus Groups*

A focus group is a research approach in which the researcher serves as a facilitator to gather the opinions of six to 10 people on a certain issue. A focus group is a qualitative interviewing strategy. The primary distinction between a focus group and an in-depth interview is that in a focus group, the major channel of communication is between the respondents themselves, rather than between an interviewer and a respondent. Since the late 1980s, focus groups have been regularly employed in marketing research. A focus group interview is defined as a gathering of six to 10 people, guided by a moderator, who convene for 90–120 minutes to explore thoughts, feelings, and experiences relating to a given topic. The group might include current or former clients. Open-ended questions are used to encourage participants to openly debate a topic, such as the launch of a new product offering (for example, a hotel, vacation, or food item on a menu). They are utilized to obtain knowledge about a certain destination market. When participants of a focus group are shown a draft brochure and asked their opinion on a place that a tour operator intends to offer to its clients, open-ended questions are employed. The moderator directs the debate in order to delve further into sentiments toward a certain tourism product. The moderator must guarantee that the group stays impartial and that their egos or other considerations do not taint or sway their viewpoints. The group conversation is frequently video recorded so that it may be analyzed afterwards to determine the members' interests and purchasing behavior.

3. *Content Analysis*

Human observation includes content analysis. Content analysis refers to a set of approaches for methodically examining and measuring the meaning of conveyed content by categorizing and analyzing selected words, themes, or visuals. It is a qualitative method of analyzing non-statistical textual content. Any of the following can be used as the unit of analysis:

(various terms or sorts of words in the message)

Personages (individuals or objects)

Topics (propositions)

Measures of space and time

Topics (the message's topic.

The primary application of content analysis is the study and interpretation of communication content. It may be used on newspaper articles and commercials, television and radio programs or advertisements, novels, letters, and journals. Material such as tour operators' vacation brochures, destination advertising brochures and posters, travel pages in newspapers, holiday postcards, and travel blog sites might be analyzed in the context of tourism research. Content analysis, for example, is increasingly being utilized in tourist destination image (TDI) research, in which destination marketers aim to study the visuals depicted in vacation brochures.

2.4.3.2 Quantitative Research

The goal of quantitative research is to quantify a condition or event and generalize the findings to a larger population (that is, to conclude that the findings from the study sample may be applied to a larger population with a moderate level of confidence). Observation, experimentation, and surveys are the three basic quantitative approaches utilized in tourism.

1. Observation

Another popular exploratory research tool is observational techniques.

Researchers utilizing this strategy obtain primary data by studying people's activities and purchasing habits. There will be no interviews, however an interview may be utilized as a

follow-up activity to collect further information. Counting foot traffic, such as along a high street where an up-market restaurant is located, observing (and counting) vehicle movement past an advertising billboard, and counting the number of unoccupied spaces in a car park at different times of the day or week to determine a visitor attraction's usage rate are examples of this method. Other uses include the following:

- Counting and monitoring the behavior of a large number of people who attend a festival

- Recording the average amount of time that visitors to a theme park have to wait in a queue before obtaining access and noting their body language

- Following a tour group to study the group's behavior and spatial distribution.

- Observing customers at a hotel's new self-service restaurant and asking them if they like this form of service.

- Observational approaches may be beneficial in instances when a questionnaire or interview would be ineffective, such as analyzing rivals' offers, such as internet websites, brochures, menus, price lists, and point-of-sale promotions.

- Data can be obtained by direct human observation or mechanized observation (including the use of video cameras to record patterns of consumer behavior).

Ethnographic research enables researchers to gather information and gain a comprehensive insight of customers that is not possible with more typical research approaches like as questionnaires and focus groups. The observation of behavior and physical surroundings in *ethnographic research*, often known as the study of humans and behavior. Observational approaches offer several benefits. They have the ability to disclose information that most individuals are hesitant or unable to provide. Consumers (or workers) are frequently unaware

that they are being watched, so they assume act normally (unselfconscious behavior). As a result, observational approaches produce impartial data.

2. Experiments

Experiments are the most effective way to collect causal knowledge. Experiments are often conducted in a laboratory setting in which the researcher has total control over the surroundings. Mechanical devices can measure the bodily reactions of participants. Advertisers, for example, utilize eye cameras to monitor consumers' eye movements while watching an advertising. Experiments can assist marketers in determining the best marketing mix for launching a new tourism service. For example, equivalent rooms in a new hotel may be cheaper in a town than in the capital city of a country. The approach is useful in determining if there is a causal link between two variables, that is, whether a change in one variable causes a change in another. A causal link exists when a change in one variable causes a change in another.

3. Surveys

One of the most widely utilized approaches in tourist marketing research initiatives is the survey method. A survey's goal is to collect trustworthy and valid data about the issue under investigation. The survey approach entails interviewing the sample member to acquire descriptive information. It invariably includes of a questionnaire, which is a sequence of questions meant to assist the researcher in solving the issues (that is, the study statement and objectives). The survey questions are often presented to respondents by survey (postal, in-house, online, or mobile), over the phone, or during a personal interview. The availability of time, money, access to respondents, skilled workers, and facilities all impact survey technique

selection. Some of these survey contact strategies have benefits and drawbacks. The six survey contact techniques are covered in further detail below.

4. Postal Surveys

This approach entails mailing a questionnaire to possible responders and asking them to return the completed form (astamped, self-addressed envelope is usually included). Postal surveys (also known as postal surveys or mail questionnaires) are particularly effective for covering a broad geographical region, such as an entire state, county, or province, or even the entire country.

5. In-House Surveys

These are surveys given to customers while they are on the premises of tourist organizations. Customer feedback cards on restaurant tables and survey forms on board airlines, visitor attractions, vehicle rental agencies, and hotel rooms are examples of in-house surveys. These surveys are typically used to assess consumer satisfaction with reference to service and product quality.

6. Online Surveys

The function of marketing survey research is evolving as a result of advances in technology. Online surveys (also known as online surveys, survey software, web-based surveys, or eSurveys) are electronic surveys sent through the internet or e-mail. Online survey generators have the advantage of making it simple to create a basic survey. The quality of the produced surveys is excellent. They are also quick and affordable. Web-based surveys do not use interviewers, which eliminates interviewer bias or inaccuracy. Internet surveys provide the researcher far greater

control over data quality than previous types of survey interaction. The questionnaire is uploaded on a secure website where clients and researchers can examine replies concurrently as soon as each respondent has answered the questions. This enables for fast response assessment and analysis.

7. *Mobile Surveys*

Mobile surveys (including hand-held computers) are becoming more popular, maybe because to their short and rapid nature. Mobile polls have enormous sample sizes and employ basic automated answer questions. They are more likely to elicit honest replies than time-consuming traditional surveys. Many customers increasingly use cellphones, which are becoming more inexpensive and hence more representative.

8. *Personal (Face-to-Face) Interviews*

Personal or face-to-face interviews are classified into three types: door-to-door, intercept, and executive interviewing. Personal interviews entail interviewing individuals at their houses (door-to-door), in public places such as the street, at an airport, at an event, at a visitor attraction, at a shopping mall (intercept), or in their offices (executive). In tourism, an intercept interview is a prominent research approach.

2.4.3.3 Sampling Plan

To conduct any of the qualitative interviews (that is, in-depth interviews and focus group interviews) or survey contact techniques outlined above, the researcher must first decide who

will be interviewed or surveyed. Because it is nearly difficult to interview everyone involved, a sample must be chosen. A sample (Table 5) is a subset of the population chosen for marketing research to reflect the entire population. Marketers seeking data frequently discover that it is more practicable to collect information from small groups of people than the whole study population. It is sufficient to collect data from a sample if the responses of those polled are representative of the full group. In tourist research, probability sampling is the chosen sampling approach since it is more exact than other methods and may also be utilized for more complex statistical analysis techniques. Inferential statistics, for example, values obtained from a sample used to estimate the same value for a population, should be reserved for probability samples. Non-probability sampling involves selecting a sample in such a way that the likelihood of any member of a unit within the population or universe being chosen is unknown.

Table 5: Types of samples

Probability sample	Non-probability sample
Simple random sample: Every member of the population has a known and equal chance of selection.	Convenience sample: The researcher selects the easiest population members from which to obtain information.
Stratified random sample: The population is divided into mutually exclusive groups (such as age groups) and random samples are drawn from each group.	Judgment sample: The researcher uses his or her judgment to select population members who are good prospects for accurate information.
Cluster (area) sample: The population is divided into mutually exclusive groups (such as blocks) and the researcher draws a sample of the groups to interview.	Quota sample: The researcher finds and interviews a prescribed number of people in each of several categories.
Source: Author's creation	

2.4.3.4 Questionnaire Design

After the researcher has agreed on the sample, the design of the questionnaire must be devised. A questionnaire is a set of questions that are given to respondents in order to answer the defined research goals. There are several methods for asking questions (Table 6). Subjects can respond to open-ended queries in their own terms. These questions let the researcher to learn what individuals believe about a product, organization, or place, but they do not disclose how many people think in a certain manner. "What is your assessment of the service provided by Sea View Hotel?" is an example of an open-ended inquiry. Closed-ended questions include allotential responses from which respondents choose. Closed questions are easier to process and finish for interviewers and/or responses.

Closed-end inquiries include the likert scale or rating, ranking, scale, filter (or screening), and category. **A Likert scale** is a five- or seven-point questionnaire scale that asks respondents to express how much they agree or disagree with a statement, approve or disapprove of it, or think it to be true or untrue. Postal surveys, in-house surveys, internet (web-based) surveys, mobile (computer interactive) surveys, and telephone surveys, as well as personal (one-to-one) interviews, all require a questionnaire. A well-designed, well-organized, and professional questionnaire is one of the cornerstones to obtaining high-quality research information (data). People are more inclined to cooperate if they believe the questionnaire is engaging, significant, and simple to complete.

Table 6: Types of survey questions

Name	Description	Example					
Closed-end questions							
Dichotomous	A question with two possible answers	Is this your first visit to the Warrior Toy Museum? Yes/No					
Multiple choice	A question with three or more answers	With whom are you travelling during this visit to the Warrior Toy Museum? No one Children only Spouse Friend Spouse and children As part of a tour group					
Likert scale	A scale showing the respondent's extent of agreement or disagreement with a statement	Rate the service you received here today at the Warrior Toy Museum café, on a scale of 1–5 (1 = excellent; 5 = poor). Circle the rating that best applies					
		The availability of staff	1	2	3	4	5
		The welcome you received	1	2	3	4	5
		How quickly you were served	1	2	3	4	5
		Value for money	1	2	3	4	5
		The quality of food	1	2	3	4	5
Semantic differential	A continuum of bi-polar (opposite) attitudes (feelings)	The Warrior Toy Museum is: Interesting _____ Boring Modern_____ Old-fashioned Inexpensive _____ Expensive					
Rating scale	A scale that rates an attribute from "poor" to "excellent"	The Warrior Toy Museum is: [tick box] Excellent (1) [tick box] Very good (2) [tick box] Good (3) [tick box] Fair (4) [tick box] Poor (5)					
Importance scale	A scale that rates the importance of an attribute	To me, service at a museum is: The Warrior Toy Museum is: [tick box] Extremely important (1) [tick box] Very important (2) [tick box] Quite important (3) [tick box] Not very important (4) [tick box] Not at all important (5)					
Open-end questions							
Unstructured	A question that respondents can answer in any way	What is your opinion of the Warrior Toy Museum?					

2.4.3.5 Customer Satisfaction Questionnaires

Customer satisfaction research is becoming increasingly crucial in the tourist sector as businesses strive for a competitive advantage. Quality and customer happiness have become buzzwords, yet they are rarely defined. Quality refers to the product or service provided, whereas satisfaction

refs to how consumers perceive these offers and whether or not they believe their demands have been addressed effectively. Customer needs research is determining the advantages that customers anticipate from a service.

2.4.4   Stage 4: Analyze and Interpret the Data

Following the completion of secondary and primary research, the next stage of the research process is to analyze and evaluate the data that has been collected. The worth of the search is decided by the outcomes. Many approaches are employed. Computers have enabled academics to process vast volumes of data quickly and cheaply. The data gathered may be analyzed using computer software packages such as Statistical Analysis Software (SAS) or the Statistical Package for the Social Sciences (SPSS), or a spreadsheet program such as Microsoft Excel (MS Excel). Licenses for statistical software can be costly. As a result, Microsoft Excel (MS Excel) is an excellent choice for small tourist firms. There are classes and online courses available on how to utilize these statistical software. Online survey software such as SurveyMonkey or GoogleForms has built-in analysis that creates visual charts (bar charts, pie charts, diagrams, graphs) as responses are submitted and for final review (for report 'writeup'). Qualitative data involves either human analysis (transcription of interview recordings and extraction of significant themes,'categorising,' or 'coding') or the use of software tools such as NVivo, which is used to analyze transcripts of individual interviews and focus groups. One of the most often utilized ways for analyzing interview replies and material is categorizing and generating'idea blocks.' If a computer-assisted personal interviewing (CAPI) method is employed, analysis can take place while the interviews are being done.

2.4.5   Stage 5: Present the Findings to the Manager/CEO

Marketing research initiatives, like all marketing communications, should be planned with the end-user (audience) in mind. In other words, researchers must ask themselves, "Who am I writing this report for, and what do they want of me?" The user of a report given to a client organization is most likely a manager. A long literature study or chapters on academic theory are unlikely to be read by the customer.

A. Suggested structure for a research report

1. *Title or title page*

Make your title brief, accurate, and catchy. It should not be overly imaginative or wordy. It should be clear so that the reader understands what the study is about. It should include an implicit or clear question that the research will address. Include a subtitle (to define the subject of the report), the authors' names, and the completion date. A dissertation must include the name of the university as well as the supervisor.

2. *Executive summary or Abstract*

An executive summary is a succinct overview of the findings of a client-commissioned initiative. It summarizes the key results, conclusions, and suggestions. An abstract provides a synopsis of the complete research project. The abstract should be self-contained. It should include brief information about the research objectives, how the study was conducted, the number of respondents, important findings, and suggestions. This is a challenging part to write well. It is generally 200–300 words long and takes the style of a small report.

3. Table of contents

Include the names as well as the page numbers for all section headers and primary subheadings. (An example may be seen on the book's contents page.) A separate page or pages are required for the table of contents.

4. List of illustrations

List all of the tables, figures, graphs, maps, and drawings used in the report. Include the figure number, page number, and title.

5. Acknowledgements

Recognize any support given during the study process (from a supervisor, librarian, friends, family, interviewees, and so on).

6. Introduction

Explain why you choose the issue, the goals of the research, and the extent and constraints of the research inquiry. Please include any relevant background information. Define essential concepts and words that will be utilized throughout the project.

7. Literature review

This is an examination and analysis of what has been studied or published on a subject, issue, or region to date. Identify the specific areas of the issue on which the research has concentrated. Highlight any gaps in the study knowledge (missing arguments). Determine any enhanced approaches for investigating the topic (that is, the future directions that the subject should take).

Describe how the proposed research will expand on or diverge from past and ongoing research (in other words, what contribution the research will make in the field).

8. Research methodology

Give a full explanation and evaluation of the research instrument used, why it was chosen, questionnaire pre-testing, sampling (size, response rate, selection technique, composition, and so on), and questionnaire analysis. Justify the research approach/method and the technique that goes with it. (For example, explain that the researcher has decided to conduct a personal one-on-one survey since he or she lacks the essential resources, such as time and interviewers.) Discuss the sampling and research constraints. Each step or activity in the technique must be justified.

9. Results and discussion

Include relevant interview excerpts, reporting, and discussion of outcomes. Only utilize significant results. Use diagrams, tables, graphs, and other visual aids as needed. A piechart should not be used to depict two variables (for example, yes/no, male/female).

10. Conclusions and Recommendations

Key findings should be summarized. Compare your findings to the available literature. Determine if the objectives were fulfilled and whether the study contributed to the body of knowledge on the issue. Make suggestions for further research. This section should not include any new material. All results should be included in the report's main body.

11. List of references

At the end of the report, include a list of all information sources used. This lends legitimacy to the work and helps readers to follow the material utilized.

12. Appendices or Transcripts

Incorporate reference material inside the text so that readers may refer to it. Include relevant materials such as a copy of the questionnaire, an interview schedule, and, if applicable, transcriptions.

2.5   Summary

- There are eleven divisions in the structure for a research report
- Marketing research can be quantitative or qualitative
- The five stages of research process are marketing decision problem identification, available sources investigation, research plan and data collection, data analysis and interpretation, and presentation of findings

2.6   References/Further Readings

Brunt, P., Horner, S., & Semley, N. (2017). *Research methods in tourism, hospitality, and events management*. London: Routledge.

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Saunders, M., Lewis, P., & Thornhill, A. (2020).*Research methods for business students* (8th ed.).Harlow, Essex: Pearson.

Veal, A. J. (2017). *Research methods for leisure and tourism: A practical guide* (4th ed.). Upper

Saddle River, New Jersey: Prentice-Hall.

2.7   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Five

2. Methodology: Quantitative and qualitative; Objectives: Exploratory, descriptive, and

causal; Source: Primary and secondary

Answers to SAEs 2

1. An in-depth interview is a qualitative data gathering strategy in which an interviewer

speaks one-on-one with the interviewee in attempt to identify a consumer's underlying

opinions and/or motives.

2. A focus group is a research approach in which the researcher serves as a facilitator to

gather the opinions of six to 10 people on a certain issue.

UNIT 3   TOURISM AND HOSPITALITY MARKETING PLANNING

Unit Structure

3.1   Introduction

This section looked at the meaning of tourist and hospitality marketing planning tools. It covers the distinctions between a company's strategic and tactical marketing.

3.2   Learning Outcomes

After reading this unit, you should be able to:

- Define the words "marketing planning," "strategies," and "tactics"
- Understand the nature, scope, and importance of marketing planning
- Compare strategic and tactical marketing planning

- Explain what an organization's mission statement means

- Become acquainted with the strategic marketing planning process

- Identify and explain the components of a marketing plan

Self-Assessment Exercises 1

1. What is marketing planning?

2. Marketing planning forces the organization to plan for the future. TRUE or FALSE?

3.3   Introduction to Tourism and Hospitality Marketing Planning

Every tourist organization, whether deliberately or unconsciously, engages in marketing operations. A local guesthouse owner, for example, must decide which services to offer and how to market the hostel. The owner may review previous records to determine who frequent customers are, ask visitors how they learned about the place, read local publications, and search the internet to see what other companies are promoting. All of them are marketing activities. Some businesses make these sorts of judgments on the spur of the moment. Other organizations want to plan and meticulously coordinate their marketing strategy. Those that use the latter method are essentially carrying out marketing planning and are more likely to succeed than companies that make spur-of-the-moment judgments.

Marketing planning is the process of creating marketing plans that can be strategic or tactical in nature. In the tourist sector, the phrase "marketing plan" often refers to a tactical marketing plan, which is a comprehensive short-term plan covering a period of 1–3 years. As with other commercial operations, meticulous planning with clearly defined goals and objectives is an

essential component of tourist management. Knowing about and comprehending the internal and external aspects that impact or may effect a firm in the future are critical prerequisites for a well-planned marketing strategy. Marketing planning is a step-by-step process that comprises analysis, planning, execution, and monitoring.

3.4 What is Marketing Planning?

Marketing planning is the process through which an organization analyzes its strengths and weaknesses in its present and potential markets, determines its goals and opportunities, and develops strategies to attain those goals." Marketing planning yields marketing strategies. If marketing is to be done properly, it must be planned in a methodical (step-by-step) manner. Marketers must first grasp the components of this planning before they can apply them successfully. Marketing planning is a step-by-step process that comprises analysis, planning, execution, and monitoring. The marketing planning process is depicted in. Figure 10. These stages might be stated as follows:

- Analysis: Where are we now?

- Planning: Where do we want to be?

- Implementation: How do we get there?(What decisions do we make to get here?)

- Monitoring: How successful are we?

3.5 Why Plan Marketing?

Marketing planning, in terms of the tourist marketer,

- Ensures that the marketer targets the appropriate areas and segments

- Ensures that the marketing is cost efficient

- Encourages marketers to consider individual offerings In terms of the tourism organization, marketing planning

- Causes the organization to identify and concentrate on its objectives

- Helps to shape the corporate mission statement

- Encourages the organization to concentrate on internal strengths and weaknesses

- Forces the organization to plan for the future

- Allows the organization to carry out marketing on a daily basis (rather than on an ad-hoc- as and when needed - basis)
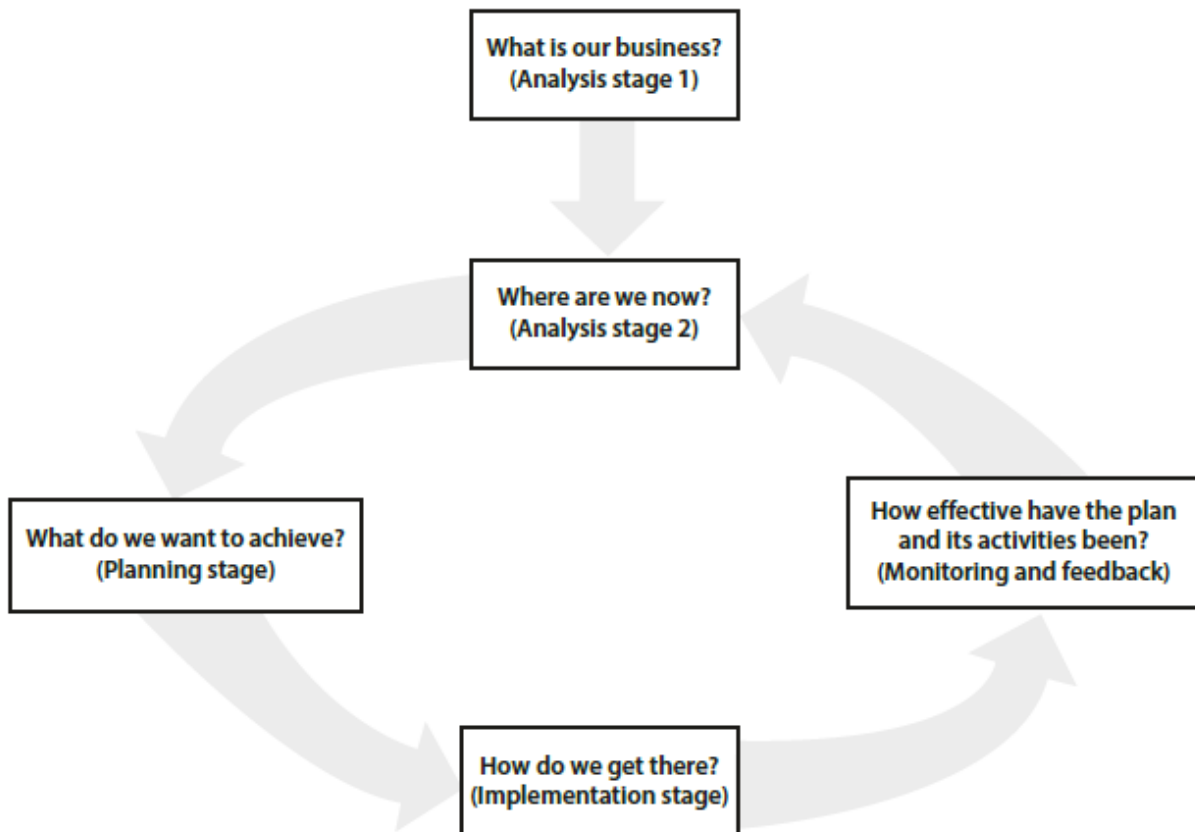
Figure 10: The marketing planning process

Self-Assessment Exercises 2

1. State the two distinct sections of the marketing planning process

2. Tactical (or action) plans are strategies. YES or NO

3.6 The Differences between Strategies and Tactics

It is critical to understand the distinction between the marketing planning phrases "strategies" and "tactics" since they define two distinct sections of the marketing planning process.

3.6.1 Strategic Marketing Planning

Strategies describe how tourism and hospitality marketers attempt to achieve their goals and often refer to an organization's primary lines of direction. Strategies are assertions that describe how things are made to happen over a specific time period (typically 3–5 years). Strategic marketing strategies are broad in scope, with little specifics about the firm's marketing operations. Strategic marketing planning places a larger emphasis on analyzing the organization's external environment, opportunities, and difficulties in the medium and long term. Tactical (or action) plans are not strategies.

3.6.2 Tactical Marketing Planning

Tactical marketing planning comes after strategic planning, is more precise and particular, and spans a shorter time period (1–3 years). It describes what the organization intends to undertake in order to achieve its overarching plan. Tactics define how strategies will operate by describing what will happen, who will make it happen, and when it will happen. The tactical marketing

strategy involves a thorough examination of the tourism marketing mix (the seven Ps), as well as comprehensive budgets and timelines.

3.7   Summary

- Marketing planning is the process through which a business assesses its current and projected market strengths and weaknesses, decides its goals and opportunities, and creates strategies to achieve those goals."

- There are several advantages to marketing strategy for the tourist marketer.

3.8   References/Further Readings

Baines, P., Fill, C., Rosengren, S., & Antonetti, P. (2019).*Marketing* (5th ed.). Oxford, UK: Oxford UniversityPress.

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Kotler, P., & Armstrong, G. (2019). *Principles of marketing* (17th ed.). London: Pearson Education.

Porter, M. E. (1985). *Competitive advantage*. New York: Free Press.

3.9   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Marketing planning is the process through which an organization analyzes its strengths and weaknesses in its present and potential markets, determines its goals and opportunities, and develops strategies to attain those goals."

2. TRUE

Answers to SAEs 2

1. Strategic and tactical marketing planning

2. NO

UNIT 4   TOURISM AND HOSPITALITY MARKETING PROCESS

Unit Structure

4.1   Introduction

4.2   Learning Outcomes

4.3   The Marketing Planning Process

4.4   Planning Stage (What Do We Want to Achieve?)

   4.4.1   Setting Marketing Goals

   4.4.2   Setting Marketing Objectives

   4.4.3   Setting Strategic Options or Choices

   4.4.4   Porter's Generic Strategies

   4.4.5   Cost leadership strategy

   4.4.6   Differentiation strategy

   4.4.7   Focus strategy

4.5   Ansoff's Matrix

4.1   Introduction

4.2   Learning Outcomes

After reading this unit, you should be able to:

- Describe the marketing planning process

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- Understand the stages in the marketing planning process

- Describe Ansoff's matrix

- Know the implementation stage of marketing planning

- Describe the monitoring and feedback mechanism of marketing planning

- Understand the concept of marketing plan

4.3   The Marketing Planning Process

The marketing planning process results in a marketing plan. It is a methodical approach to integrate marketing into a tourist and hospitality organization. Planning consists of a set of phases, but it is also more. It entails comprehending an organization's human side. If a strategy is to be effective, all departments and important individuals should be involved in its development. They contribute their knowledge and skills, and they are the ones who must put the plan into action. If people are consulted during the planning process, they are more likely to be invested in making the plan successful. Marketers should keep an eye out for a lack of strong planning procedures in organizations.
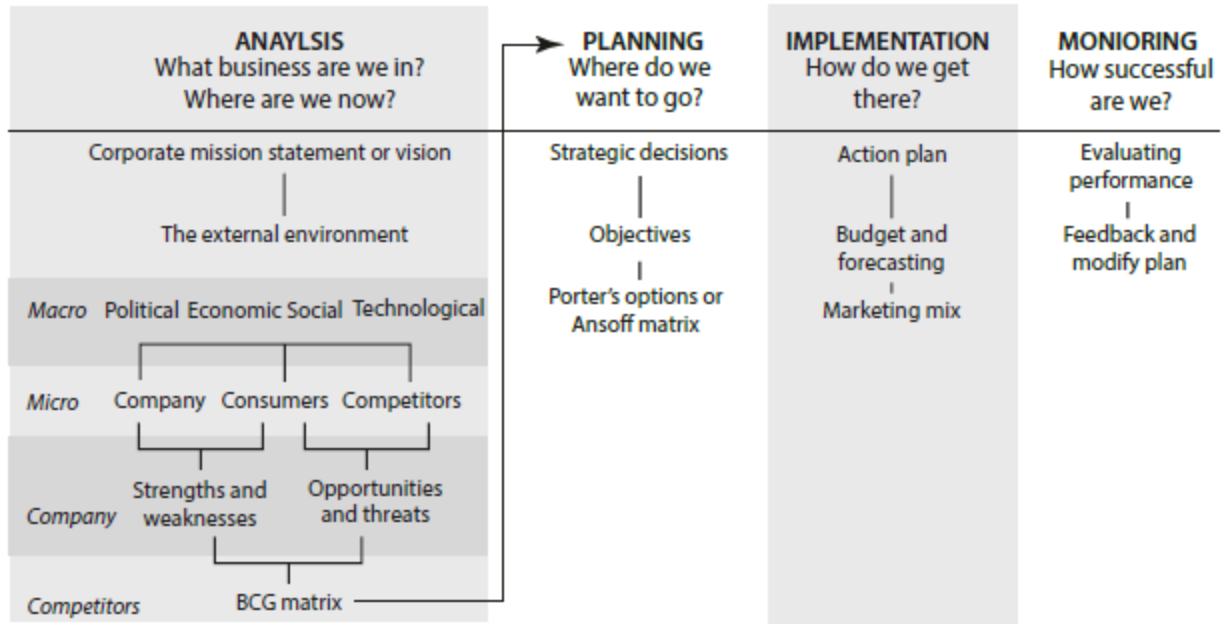
Fig. 5.2 The marketing planning stages. (Source: Author's creation)

4.4 Planning Stage (What Do We Want to Achieve?)

After examining how the organization's existing state influences its marketing activities, marketing planners consider "where the organization wants to go," evaluating and creating marketing goals, objectives, and strategic choices.

Self-Assessment Exercises 1

> 5. What is the full meaning of the acronyms "SMART" in setting marketing goals?
>
> 6. State the two widely used strategy tools in tourism marketing.

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4.4.1 Setting Marketing Goals

Goals are described as "the principal desired accomplishments of the organization." Goals define goal areas for accomplishments. They are less precise than goals. For example, a hotel may establish the objective of being the market leader in a specific city. Goals, on the other hand, require goals to serve as yardsticks when an organization attempts to assess its progress.

4.4.2 Setting Marketing Objectives

Objectives are described as "the particular goals that the marketing manager achieves in order to meet organizational goals." Objectives are statements that describe "where we want our organization to go." It is impossible to determine the effectiveness of a campaign without them. The company's marketer might use objectives as a blueprint or road map. They also serve as a means of justifying marketing expenditure. Goals are more general than objectives. They must be practical and congruent with the organization itself. Thus, the first rule in establishing marketing objectives is to ensure that they will aid in the achievement of overall corporate objectives. Each marketing purpose should be linked to a specific business goal. Marketing objectives are often specified within a timetable and specify what is to be accomplished. For example, a hotel's aims may be to raise its market share of the international leisure tourist market by 20% by a certain date. Prior to launching a marketing campaign, objectives must be established. The objectives must represent the organization's ambitions. At the same time, they must be practical in order for the organization to increase its market position. The SMART idea is utilized as the primary criterion for goal planning. The following objectives should be met, according to this framework:

1. Specific: Throughout the organization, objectives should be clear and easy to grasp.

The more explicit the goal-setting, the more legitimate the company's goals will appear to coworkers, management, and other departments.

2. Measurable: Each goal should be able to be measured (in other words, targets should be tangible). Non-measurable objectives aren't worth the paper they're written on. They shouldn't be overly lofty though (for example, "become well-known in the tourist business" or "breakeven within twelve months").

3. Achievable: Objectives should be attainable within the restrictions imposed by trends and the organization's market position. They should convey achievable aspirations rather than unrealistic fantasies.

4. Realistic: Goals should be reachable. They should not be too simple to attain, but they should also not be bigger than life. They should be balanced against time and financial restrictions.

5. Time-constrained: Each target should have a set deadline. This timeline will differ based on the sort of business, the product offering being advertised, and the nature of the goal. An aim is meaningless without a timetable. Because of the nature of the marketing aim (for example, repositioning a brand), it needs sometimes be measured over a longer period of time.

4.4.3   Setting Strategic Options or Choices

Marketing goals are critical and should be treated carefully. Setting retro-objectives is one of the most common blunders that many tourist marketers do. These are goals that are made after the fact. Setting objectives is automatic in other management disciplines, such as finance or human resources. Tourism marketers must also broaden their organizations by setting hard targets rather than goals that are too easy to fulfill. Porter's generic strategies and the Ansoff matrix are two widely used strategy tools in tourism marketing. Competition strategy and strategic direction are

two components of strategic formulation. The Ansoff matrix is used for strategic development, whereas Porter's generic strategies framework is utilized for competitive strategy (or growth).

4.4.4   *Porter's Generic Strategies*

Porter was an early analyst who argued that after a company's marketing position has been assessed, it may pick one of three potential strategies: cost leadership, distinction, or focus (Figure 11).

4.4.5   *Cost leadership strategy*

The cost leadership strategy is the most simple of the three. It is utilized when a company wants to lower expenses in order to undercut rivals, and it may be employed by both major and small tourist companies. Large organizations can profit from economies of scale and bulk purchasing power. The following are the advantages of a cost leadership strategy:

- It enables the organization to increase both sales and market share by being the lowest-cost producer;
- It may be especially advantageous in a price-sensitive market (for example, youth travellers).
- By charging a cheaper price than rivals, the organization may increase earnings.

The difficulty with this method is that when purchasing tourism services, people often expect value for money, not just a low price. The tourist business has gotten more sophisticated in recent years, and marketers have largely shifted away from price methods and toward other strategies.

STRATEGIC ADVANTAGE

	Uniqueness Perceived by the Customer	Low Cost Position
Industrywide	DIFFERENTIATION	OVERALL COST LEADERSHIP
Particular Segment Only	FOCUS	
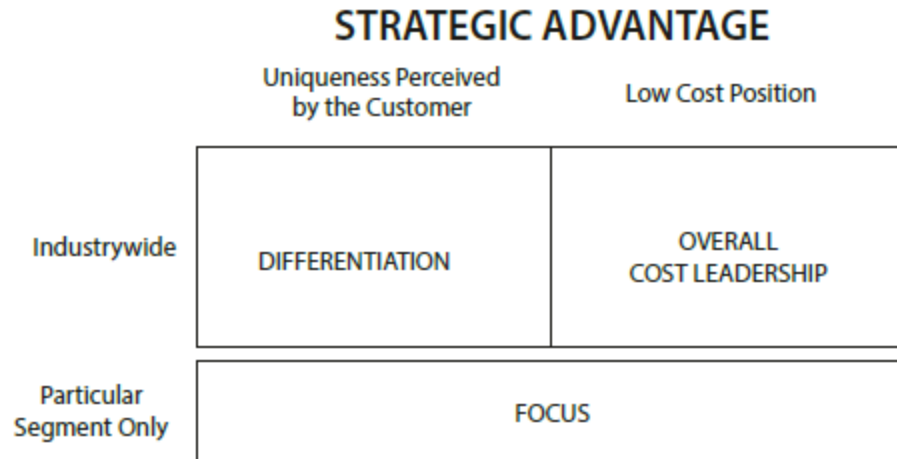
Figure 11: Porter's 3 generic strategies.

4.4.6 Differentiation strategy

This is a far more popular method in tourism marketing planning. A differentiation strategy is focused on an organization developing customer perceptions that its product is superior in some way to rivals' offers in order to charge a higher price. Differentiation can be done by the following methods:

- Developing a product that distinguishes itself from rivals' offerings via technology or design. Audley Travel, for example, provides greater quality in comparison to competitors.

- Providing a very high level of service delivery. For example, SabiSabi, a high-end private game reserve in South Africa, distinguishes itself by providing exceptional service.

- Developing a strong brand identity through advertising, design, innovation, frequent-flyer programs (FFPs), and other means. For example, Qantas' development of their FFP fosters brand loyalty among travelers.

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4.4.7 Focus strategy

A focus approach targets a certain section of the market rather than the entire market. A marketer can use either a differentiation approach or a cost leadership strategy within a given market sector. Smaller tourist organizations with less resources than larger ones but a strong awareness of their target markets frequently employ this market-focused strategy. A travel agency, for example, may cater to birdwatchers, but a hotel would cater to business leaders. To attract its target groups, each organization would give facilities and services such as guided bird excursions or a business center. The key advantage of this method is that it enables specialisation and deeper knowledge of the segment being serviced. Poon highlighted the four fundamental strategic criteria for effective tourism as follows:

1. Prioritizing consumers

2. Quality leadership

3. Product development

4. Improving the organization's strategic position throughout the value chain.

4.5   Ansoff's Matrix

The product market matrix is one of the most often used tools for analyzing the many strategic routes that an organization might take. The Ansoff product market matrix (also known as the growth vector matrix) shows where generic techniques may be used. It should be noted that the matrix is connected to the level of risk that marketing planners are willing to accept. Developing new product offers or entering new markets is risky since a substantial proportion of new product offerings fail. Market penetration, market development, product development, and diversification are the four primary alternatives available to organizations. The product market matrix assists

organizations in determining what course of action to pursue based on existing performance. The four strategic directions or possibilities are summarized in Table 7.

Table 7: The four strategic directions or possibilities of Ansoff's Matrix

Strategy	Description	Example
Diversification	Developing and selling new products in new markets. This is the most dynamic and risky of Ansoff's strategies. It is an appropriate strategy in the following situations: Current products and markets no longer provide financial returns. The organisation has underutilised resources. The organisation wants to spread risks. The organisation wishes to broaden its portfolio of business interests across more than one offering or market segment.	Pier 70 in San Francisco, California, USA. Once an old fishing harbour, Pier 70 has been revamped into retail shops, restaurants, and hotels, and is now one of San Francisco's most visited tourist attractions. Similarly, the Virgin (Group) brand provides an excellent example of this high-risk, high-return strategy. By launching *Virgin Cola*, *Virgin Airlines*, *Virgin Media*, *Virgin Holidays*, and *Virgin Money*, *Richard Branson* successfully penetrated new markets with new products.

4.6   Implementation Stage (How Do We Get There?)

Following the selection of methods, the following stage of the process entails posing the question, "How do we get there?" It is focused with carrying out the strategy. This entails carrying out actions in accordance with the strategy for the duration of the plan. It is the execution of tactical strategies for each element of the marketing mix: product, price, place, and promotion. The formulation and management of the marketing mix is the focus of the execution stage of marketing planning. The marketing mix has been reduced to the familiar four Ps (Product, price, promotion, and place). Part IV will go deeper into the subject (Implementing the strategies of the marketing mix). Furthermore, financial indicators such as necessary budgets (for promotional tools, marketing research, product development, and other aspects of the marketing mix) as well as expected costs, revenues, cash flow, and profit are discussed in depth.

Self-Assessment Exercises 2

1. Monitoring is the second stage in the marketing planning process. TRUE or FALSE?

2. What is a marketing plan?

4.7 Monitoring and Feedback (How Effective Have the Plan and Its Activities Been?)

Monitoring is the final stage in the marketing planning process. Monitoring provides a response to the inquiry, "How successful were we?" The marketing planning effort must be monitored and evaluated in order to identify and correct any flaws. Typically, this entails a rigorous assessment of all parts of the marketing plan in relation to goals. Monitoring should be done on a regular basis, generally monthly or quarterly, to guarantee rapid notice and action in areas where outcomes fall short of expectations. Analyzing the figures is one of the simplest and most generally used approaches for evaluating marketing strategy performance: were the organization's sales targets met? Simply put, "Did the advertisement get people to turn up?" Digital marketing is the most quantifiable instrument in the advertising mix. It is critical to assign KPIs since these are the indicators you will use to determine whether or not your campaign is fulfilling your business objectives. If your goal is direct conversion, you may also monitor it through clicks and conversions, or app downloads if this is your KPI. If your goal is to produce leads for your company, you may use signups and app downloads as KPIs. Finally, increasing brand affinity may be demonstrated through social interactions, follower growth, content views, signups, and app downloads.

4.8   The Marketing Plan

The marketing process is the "analysis, planning, implementation, and management" of marketing, whereas the marketing plan is the recognized written result. It's the essence of strategic marketing management. The marketing strategy serves as a road map for how a firm expects to achieve its marketing objectives: "A well-conceived marketing plan, like a road map, may protect an organization from taking incorrect turns, wandering into blind alleys, and traveling down dead-end streets." A marketing plan serves as a framework for a small to medium-sized enterprise's (SME) marketing efforts. Marketing planning documents come in a variety of shapes and sizes in the tourist business. Most hotel companies, airlines, visitor attractions, and destinations use a formal planning framework, which is typically incorporated in a marketing plan. The marketing plan serves as the primary management tool for addressing and implementing integrated marketing strategy. It describes all aspects of future marketing activities, including objectives and goals.

4.8.1   The Structure of the Marketing Plan

The framework of the strategic marketing planning process is generally paralleled by the eight components of a marketing strategy, which are explained below. It should be emphasized that the formulation of a marketing strategy does not cover the establishment of corporate objectives or strategies. A marketing plan is mostly designed to promote a specific product or brand. This is a condensed overview of the plan's important aspects for management to study quickly. The summary comprises the most important results from the SWOT analysis, the plan's goals, the methods adopted, and the financial assumptions. The executive summary's principal goal is to offer senior management with insight into the strategy without requiring them to read the

complete document. It is one of the last pieces to be developed in a tourism marketing strategy since summarizing the plan before all sections of it have been finalized is impossible.

4.8.2 Introduction and Background

This section serves as a broad introduction to the marketing plan as well as a decision-making framework. The first item is a statement of the company's mission, goals, and objectives, as well as the SBU goals. It is necessary to specify the market that is directly appropriate to the item or brand. It is unclear what the plan refers to without this description. This section of the marketing strategy should also include some background information about the item, brand, or organization. Finally, a conclusion should be offered that summarizes the main problem.

4.8.3 Situation Analysis

A thorough scenario analysis serves as the foundation for well-thought-out goals and plans. The scenario analysis starts with an internal examination, which includes a look at the company's results. It begins with an external analysis and progresses to a customer analysis, a description of STP, the identification of USPs, product positioning, and a product lifecycle study. The following stage is to do an industry overview as well as a competition analysis.

4.8.4 SWOT Analysis

The SWOT and PESTLE assessments give a summary of the scenario analysis and a starting point for strategies.

4.8.5 Marketing Objectives

The results that must be reached in terms of sales, turnover, and market share are significant factors in selecting a strategy. Goals are frequently set over a one- to three-year timeframe.

4.8.6 Marketing Strategy

This section contains a combination of marketing mix ("the 7Ps") components (Figure11).

4.8.7 Implementation: Decisions, Finance, and Control

Decisions must be taken on the components of the marketing mix. The plans should be converted into what will be done, who will execute it, and when. A thorough conceptualization and assignment of duties is required for successful execution. Four questions must be addressed:

- What precisely will happen?
- When will it occur?
- Who will carry it out?
- What will it cost?

4.8.8 Appendices

Appendices may include information such as supplementary market data, a timeline and activity schedule, and references.

4.9 Summary

- A marketing plan is the end result of the marketing planning process.

- Marketing planners evaluate "where the organization wants to go," reviewing and defining marketing goals, objectives, and strategic choices after examining how the business's current status effects its marketing operations.

- The Ansoff's matrix is a popular tool for examining the various strategic paths that a business might pursue.

- Monitoring is the final stage of marketing planning.

4.10   Glossary

Consumer: Consumer is the final user of a purchased product or service

Decision: It is conclusion or resolution reached after consideration.

Forecasting: It is a technique that uses historical data as inputs to make informed estimates that are predictive in determining the direction of future trends.

Marketing: These are activities a company undertakes to promote the buying or selling of a product or service

Planning: It is the act or process of making or carrying out plans specifically

Problem: It is a matter or situation regarded as unwelcome or harmful and needing to be dealt with and overcome.

Research: It is the systematic investigation into and study of materials and sources in order to establish facts and reach new conclusions.

Risk: It is a situation involving exposure to danger.

4.11   References/Further Readings

Baines, P., Fill, C., Rosengren, S., & Antonetti, P. (2019).*Marketing* (5th ed.). Oxford, UK: Oxford UniversityPress.

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Porter, M. E. (1985). *Competitive advantage*. New York:Free Press.

4.12   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. S = Specific, M = Measurable, A = Achievable, R = Realistic, T = Time-constrained

2. Porter's generic strategies and the Ansoff matrix

Answers to SAEs 2

1. FALSE

2. Marketing plan is a framework for a small to medium-sized enterprise's (SME) marketing efforts.

MODULE 4 MARKETING ENVIRONMENT, PROMOTION AND ADVERTISEMENT OF TOURISM AND HOSPITALITY

UNIT 1   ANALYZING THE INTERNAL ENVIRONMENT

Unit Structure

1.1   Introduction

All tourism and hospitality organizations across the world operate in a dynamic business climate with several aspects to consider when making choices. Some of these circumstances are outside

of the organization and hence outside the marketer's control. For example, a tourist marketer cannot change the cultural, legal, or political surroundings in which the organization operates.

1.2   Learning Outcomes

This unit will provide you the information you need to comprehend the business environment in which tourism and hospitality marketers and their organizations work. Learning Objectives You should be able to:

- Describe the three primary marketing environments: external, performance, and internal after reading this chapter.

- Know how to analyze performance and internal business settings.

Self-Assessment Exercises 1

1. What is an internal environment?

2. How many are the micro- and performance environmental factors?

1.3   Analyzing the Internal Environment

The internal environment refers to the resources, procedures, and policies that an organization oversees in order to fulfill its objectives. The job of a marketer is to create and promote appealing tourist and hospitality services to target markets. Factors inside the organization's internal environment will influence the degree of success. The internal environment consists of the factors that exist within the organization's immediate business environment. As shown in Figure 12, these include the organization's product offerings as well as human, marketing, and financial resources. Within an organization, a variety of factors that are primarily under the

marketer's control influence the organization's marketing efforts. Among these aspects are the following:

- The tourist offerings of the organization and the markets to which they are aimed, for example, the quality and price of a hotel room typically indicate its target market.

- The marketing department's position in the organization and how it fits in; the marketer must work closely with management as well as finance, accounting, sales, human resources, and other departments.

- The corporate culture of the organization, such as whether it has a bureaucratic or entrepreneurial culture.

- How the organization runs, or what type of organization it is.

- Various publics also have an impact on an organization's marketing initiatives. These publics may include any organization – such as shareholders, government, media, local publics, political bodies, or pressure organizations – with a vested interest in the tourist and hospitality organization's success.

- Marketing services firms that assist tourist and hospitality organizations in developing and implementing marketing strategies. Marketing research, media, advertising, and marketing consultancy firms are examples of these. The quality, service, innovation, and pricing of these businesses varies.
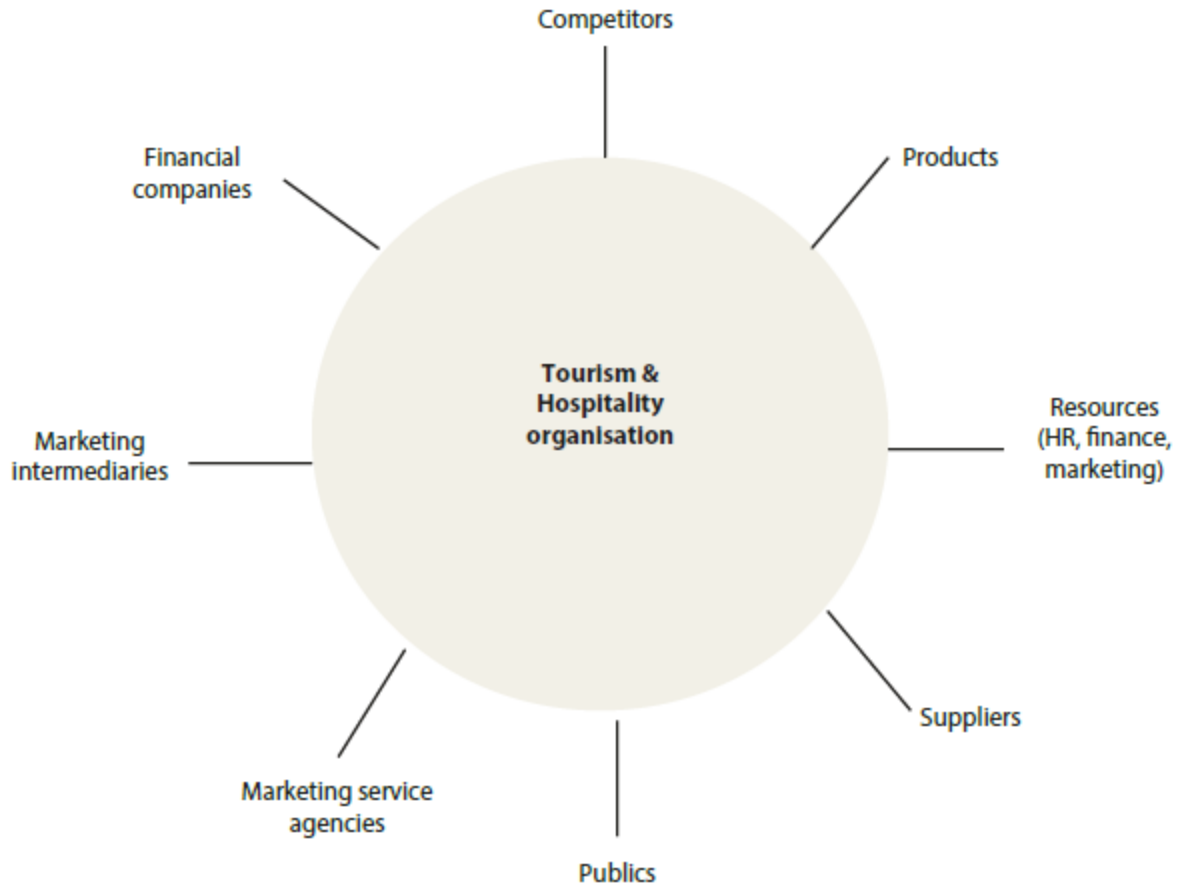
Figure 12: The micro- and performance environmental factors

1.4   Analyzing the Performance Environment

The performance environment (also known as the "microenvironment") is made up of organizations that either directly or indirectly impact an organization's operational performance. Competitors, suppliers, and middlemen or distributors are all part of the performance environment.

Self-Assessment Exercises 2

1. Who are the major competitive factors in a company's environment>

2. What are marketing intermediates?

1.4.1 Competitors

Understanding competition is essential in tourist planning. A tour operator, for example, must understand the nature and scale of the competition it confronts from other tour running organizations. Marketers must realize that they are competing with both direct and indirect competitors, as well as the prospect of new competition. They must be informed of what their competitors are doing and make the required marketing decisions to respond to the tactics of their competitors when the time comes. It is critical for tourist businesses to understand their rivals. Organizations that pay greater attention to their competition outperform those who do not. Six critical questions must be answered before doing a competitive study for a company:

1. Who are the primary rivals of the company?

2. What is the market share of these competitors?

3. What are their advantages and disadvantages?

4. What are their strategic objectives?

5. What techniques do they employ?

6. What are their likely reactions?
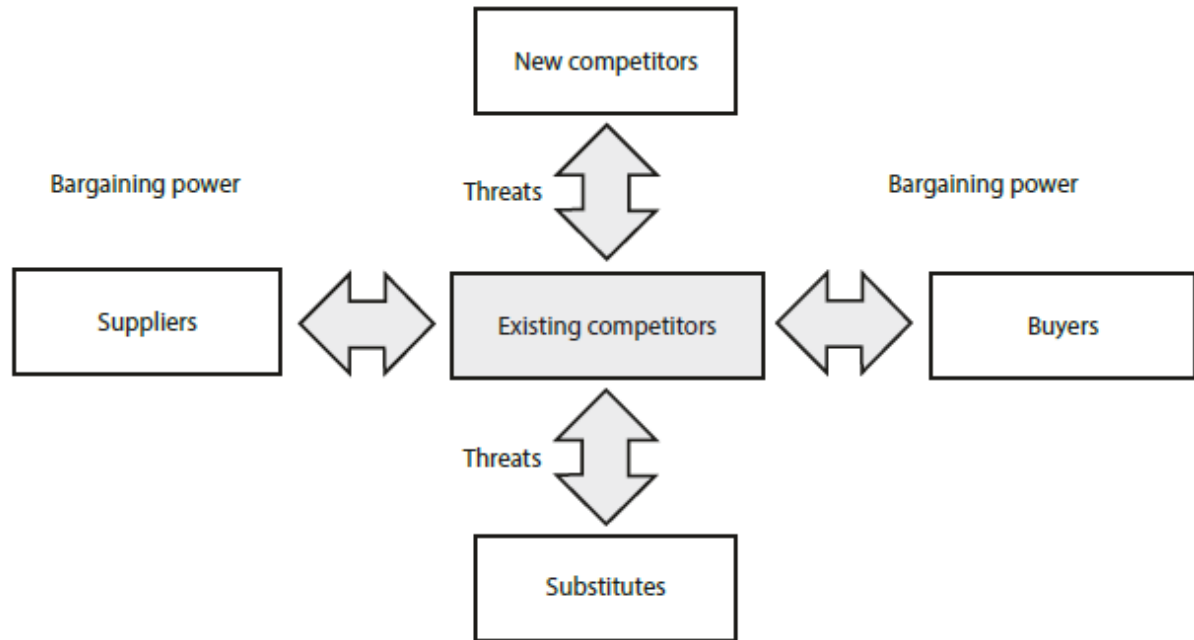
Fig. 6.2 Major competitive forces in the company's environment. (Source: Author's creation)

1.4.2 The Suppliers

Tourism organizations rely on a variety of providers to meet the needs of its customers. Because consumers are seeking higher-quality goods, the organization's connection with its suppliers has grown tighter and more vital in recent years. The quality of an organization's offerings is heavily reliant on the items and services supplied by its suppliers. A hotel, for example, relies on food and beverage vendors, a local laundry service, and maybe a local security firm. The tourist industry's supply networks and chains are quite complicated. Hundreds of vendors can be part of a network. To mention a few vendors, an airline relies on caterers, cleaning personnel, training and recruitment organizations, uniform suppliers, engineers and maintenance workers, and manufacturers of engines, components, and interiors. Furthermore, at the other end of the airline industry distribution chain, there is the airline manufacturing market, which has a restricted

number of customers: national carriers and low-cost airlines. In such a case, the suppliers have a significant negotiation edge.

1.4.3 Marketing Intermediaries

Marketing intermediates are self-contained businesses that market, sell, and distribute products to customers. They act as a bridge between an organization and its markets, as well as between an organization and its suppliers. As a result, they are often known as distribution channels or intermediaries. Word-of-mouth (WoM) recommendations, social media, and the internet may all serve as substitutes for these intermediaries, and are becoming increasingly significant as tourism and hospitality organizations strive to eliminate the expenses of middlemen and sell directly to customers.

1.5   Summary

- The internal environment refers to the resources, processes, and policies that an organization manages to achieve its goals.
- The performance environment includes competitors, suppliers, and middlemen or distributors.

1.6   References

Baines, P., Fill, C., Rosengren, S., & Antonetti, P. (2019).*Marketing* (5th ed.). Oxford: Oxford UniversityPress.

George, R. (2021). *Marketing Tourism and Hospitality: Concepts and Cases*. Springer International Publishing.

United Nations World Tourism Organization (UNWTO). (2021). *UNWTO tourism*

1.7   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. The internal environment refers to the resources, procedures, and policies that an organization oversees in order to fulfill its objectives.

2. Eight

Answers to SAEs 2

1. Suppliers, new competitors, buyers, substitutes

2. Marketing intermediates are self-contained businesses that market, sell, and distribute products to customers

UNIT 2   ANALYZING THE EXTERNAL ENVIRONMENT

Unit Structure

2.1   Introduction

2.2   Learning Outcomes

2.3   Analyzing the External Environment

    2.3.1   Political Environment

    2.3.2   Economic Environment

    2.3.2.1 Interest Rates

  2.3.2.2   Employment Rates

  2.3.2.3   Rates of Exchange

      2.3.2.4 Inflation

      2.3.2.5 Taxation

2.3.3   Socio-demographic Environment

  2.3.3.1 Tastes and Fashion

  2.3.3.2 Changes in Lifestyle

  2.3.3.3 The Role of Women in Society

  2.3.3.4 Crime and Prostitution

  2.3.3.5 Age and Race Structure

  2.3.3.6 Population

  2.3.3.7 Education

2.3.4   Legal Environment

2.3.5   Ecological Environment

  2.3.5.1 The Environment

2.1   Introduction

The marketers can influence their consumers and suppliers, they do not have total control over them. Furthermore, marketers must be informed of developments in the tourist and hospitality industries as well as the marketplace, both locally and worldwide. This assessment of the corporate environment serves as the foundation for both a SWOT analysis and a PESTLE analysis.

2.2   Learning Outcomes

This unit will provide you the information you need to comprehend the business environment in which tourism and hospitality marketers and their organizations work. You should be able to:

- Describe how the PESTLE technique is used to assess the external business environment.

- Perform a PESTLE study on a tourist and hospitality business.

- Critically examine major global, regional, and national tourist flows and data

- Talk about how a tourist and hospitality marketer may react to these environmental challenges.

1. What is an external environment of a hospitality industry?

2. State the different types of external (macro-) environment

2.3   Analyzing the External Environment

The **external environment** (or macro-environment) is made up of societal and global (external) aspects that influence a tourist organization. These elements have an impact not only on the organization's external environment (such as its rivals), but also on its internal environment (for instance, the resources). These variables do not have an immediate influence on the organization's performance, but they may do so in the long run. The external environment is sometimes known as the distant or remote environment since it tends to impose pressures that are beyond the control of the organization. We may utilize the term PESTLE to assist us make sense of the external world. PESTLE refers to the political, economic, socio-demographic, technical, legal, and environmental elements that influence an organization (Figure 13). This is a very handy framework for analyzing the external world. Political, economic, socio-demographic,

technical, legal, and ecological variables impact an organization's external environment. Although the PESTLE analysis is utilized in this section, it is not the sole framework for analyzing the external business environment.
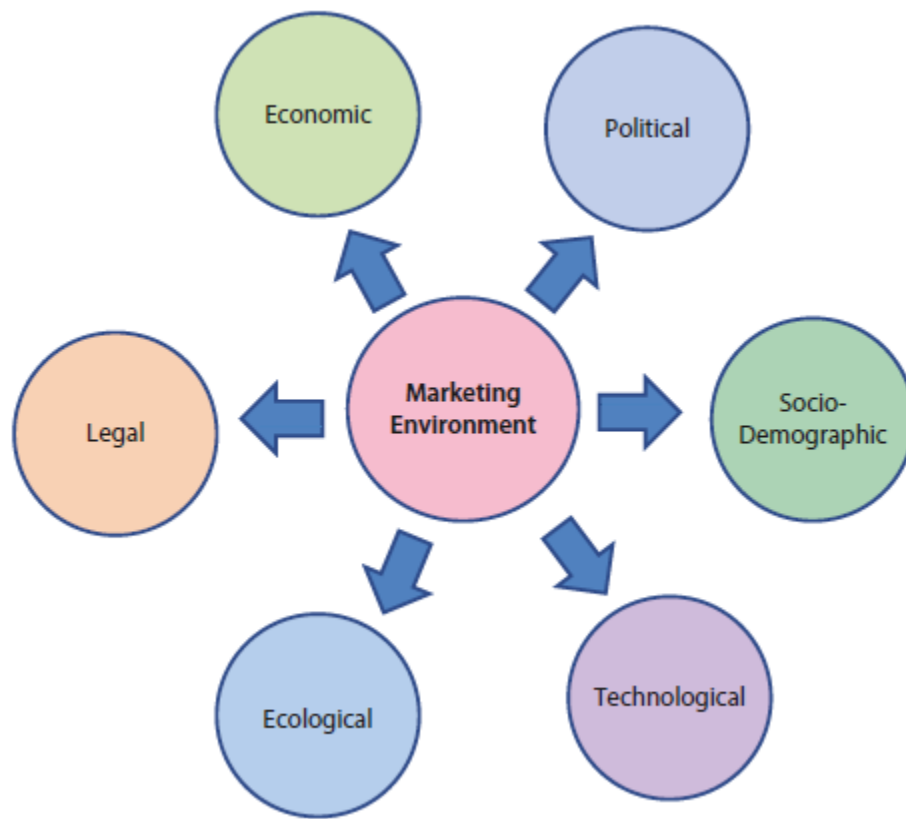
Figure 13: The external (macro-) environment

2.3.1   Political Environment

The political environment is concerned with the interplay between business, society, and government. An evaluation of the political environment is crucial because tourist corporations can recognize indications regarding prospective legislative and regulatory changes in the tourism and hospitality industries, and have the opportunity to obstruct, influence, and amend such

legislation. Most of the time, the political climate is uncontrollable, but there are times when an organization or industry coalition may influence legislation in its favor. The political climate influences tourist marketing decisions and has various effects on the business environment. Tourism relies on people's ability to travel both worldwide and locally. The government has a significant impact on other external business elements such as the economy, which influences the tourist sector.

Self-Assessment Exercises 2

1. What are the characteristics of economic environment?

2. What is biodiversity?

2.3.2   Economic Environment

Tourism marketers must be aware of the economic climate in which their clients operate. It has a tremendous impact on the organization's marketing strategy and the volume of demand produced. Marketers should consider interest rates, employment rates, exchange rates, wealth distribution, and competitive prices. These economic determinants in potential tourist countries are very crucial in influencing consumer purchasing power and spending patterns (for example, demand for travel). These characteristics also have an impact on production costs and company competitiveness. They have a far more rapid and immediate impact than gradually changing demographic trends. The economic environment is divided into local, national, regional, and global components. Changes in the local and regional economy can have a significant impact on a tourist organization. Global economic patterns and trends should also be studied.

2.3.2.1 Interest Rates

Interest rates have an impact on how British individuals spend their money. This has an influence on market demand as well as national investment in new tourism offers such as restaurants, hotels, and other tourist attractions. After paying larger house loan and hire-purchase instalments, low- and middle-income individuals have less discretionary money. This, in turn, reduces demand for vacations and other forms of leisure consumption.

2.3.2.2   Employment Rates

Unemployment definitely has an impact on demand since jobless individuals cannot afford tourism offers. On the other hand, the tourist sector is a good job creator, producing main or direct employment in businesses such as restaurants, attractions, and hotels. It also creates secondary employment, with indirect job creation in industries like as construction and manufacturing.

2.3.2.3   Rates of Exchange

Currency exchange rates are crucial in the tourist industry environment, particularly for tourism enterprises operating in international markets.

2.3.2.4 Inflation

Inflation raises consumer prices in a certain nation; the cost of products and services may rise, resulting in a drop in sales. During a recession, customers often purchase less products and increase their savings. In an attempt to encourage demand, prices then decrease. Prices may,

however, rise during a recession. As a result, understanding the broader general economic trends and an organization's marketplace is critical.

2.3.2.5 Taxation

Tourism taxes is a contentious and current subject. On the one hand, governments use tourist money to create and maintain critical infrastructure, as well as to perpetuate the economic advantages from this industry. Businesses, on the other side, believe that these taxes slow down growth rates and decrease the possibility for creating and sustaining jobs.

2.3.3   Socio-demographic Environment

Social, cultural, and demographic aspects comprise the socio-demographic environment.

It includes societal attitudes, beliefs, and conventions. Tourism businesses must adapt or adjust their offers in response to changes in the socio-demographic environment. Marketers are faced with the difficult challenge of responding to these continuously changing dynamics. We will begin our discussion of the socio-demographic factors that have a significant impact on tourism consumer markets in both receiving and producing countries by taking into account the social and cultural factors of fashion and tastes, changes in lifestyle, the role of women in society, and crime and prostitution. We will address demographic aspects - another uncontrolled element in the external environment – such as age and racial structure, geographic location, family life cycle, and education. Demographic changes, such as an increase or fall in population or a reduction in a certain age group, should be recognized and accounted for when marketers set

long-term targets, as these crucial elements impact tourist demand. The number and structure of a population fluctuate regularly, influencing tourist demand.

2.3.3.1 Tastes and Fashion

Tourism is an excellent example of a fashion item. A recently established elegant boutique hotel with themed décor in a metropolitan region may be the flavor of the month, but destinations, like clothing, fluctuate in and out of favor. Because of its exclusivity and exotic remote location, some customers regard visiting an exotic place such as the Seychelles as a status symbol, and it quickly becomes the "flavor-of-the-month" holiday destination.

2.3.3.2 Changes in Lifestyle

Lifestyles are always evolving, and customers' tastes alter throughout time.

Recent societal tendencies toward healthier living have resulted in a rise in athletic vacations and restaurants that provide healthier cuisines.

2.3.3.3 The Role of Women in Society

Another issue that has influenced societal views and values is the changing role of women in many nations.

2.3.3.4 Crime and Prostitution

Several nations, like Brazil and South Africa, have high crime rates and consequently have a tarnished reputation as a tourist destination. Several violent events involving tourists have happened, and the resulting media coverage in the different markets may have discouraged individuals from visiting Brazil and South Africa. In the case of prostitution, social values are culturally specific and not universal. For example, in Thailand, organized prostitution is permitted and even promoted as a tourist attraction, yet it is regarded as a societal problem in the United Kingdom and most other European nations. While tourism does not generate prostitution, it does contribute to it.

2.3.3.5 Age and Race Structure

The age and race composition of the population at the national level is relevant to an organization in terms of both target markets and personnel recruiting. People in Western and affluent nations are clearly living longer lives, which boosts population size and, as a result, demand for leisure and tourism activities.

2.3.3.6 Population

The two most populous nations are China and India. Both of these emerging nations have a sizable and growing middle class. India has an estimated 250 middle-class customers and hence has a high potential for international travel. In 2018, Chinese visitors took approximately 149,7 million abroad excursions, accounting for one-fifth of total worldwide tourist purchases. According to the UN Population Division (2017), India's population is expected to reach over 1.6 billion by 2050, China's population is expected to reach 1.3 billion, the United States is expected to reach around 400 million, and the United Kingdom is expected to reach 75 million (7

ons.gov.uk). Population declines are expected in several nations, including Russia and China. These developments will have a substantial impact on international travel flows between nations, especially China, which is expected to have a booming outbound tourism sector.

2.3.3.7 Education

The impact of education is a significant factor of travel. In general, the better the degree of education attained, the bigger the quantity of travel undertaken. Income, social status, and home composition are all factors that influence education. A higher education, particularly a degree, improves one's chances of finding work.

2.3.4   Legal Environment

The legal environment affects every area of a company's operations. In most nations, codes of practice for advertising and price transparency have been implemented. However, advertising standards vary from country to country. Legislation and regulation influence tourism and hospitality marketers on a local level. Visa restrictions and border controls, government deregulation, health and safety, funding of the destination marketing organization (DMO), and employment regulations all have an impact on destinations and enterprises.

2.3.5   Ecological Environment

The marketer must also be knowledgeable about the natural area in which the tourist organization operates. The natural environment includes natural resources that marketers require

as inputs or that are impacted by marketing activity. The industry's many stakeholders should be worried about these aspects and should respond by striving to promote the benefits while minimizing the drawbacks. After all, a country's natural environment is frequently the primary draw for both local and international tourists. The natural environment covers both the environment and health difficulties, natural catastrophes, and wildlife incidents.

2.3.5.1 The Environment

Environmental challenges provide both possibilities and risks to the tourist sector on a local and national scale. The prospects stem from the reality that many consumers would pay extra for an environmentally friendly product and will remain loyal to, instance, a hotel chain that recycles or engages in environmentally responsible activities. The tourist sector, on the other hand, is a threat to the natural environment. For example, tourist planes emit CO_2 and cause air and noise pollution, while the building of hotels, resorts, and attractions has a variety of negative or undesired environmental effects. These effects are determined by the type of development, the environmental conditions of the region, and the amount to which adequate planning and management are carried out. Tourism puts significant strain on local land usage, potentially resulting in soil erosion, increased pollution, natural habitat loss, and greater pressure on endangered species. These consequences have the potential to gradually deplete the environmental resources on which tourism depends.

2.3.5.2 Biodiversity

Biodiversity refers to all living things and ecosystems that make up the environment; from trees to bacteria, everything plays a significant role in the planet's upkeep. However, as global

warming, pollution, and deforestation continue to rise, biodiversity is in jeopardy. Throughout the planet, billions of species are becoming or have become extinct. Reducing our meat consumption, particularly red meat, and making more sustainable choices will help the earth function more effectively.

2.3.5.3 Depletion and pollution of water

Water scarcity inhibits populations from realizing their full potential. During the 2018 holiday season, Cape Town, South Africa, had a severe drought, significantly impacting the city's tourism business. Some tourist attractions, destinations, and resorts (for example, swimming pools and golf courses) use a lot of water. Water pollution, such as an abundance of plastic garbage and hazardous chemicals entering streams, harms the planet's most important resource. We can reverse the damage created by humans by teaching people about the causes and effects of water contamination. Laws must also be changed to make pollution regulations more stringent and uniform across international borders.

2.3.5.4 Deforestation

As a result of excessive human demands and desires, many of the Earth's natural resources are becoming limited. Deforestation, in particular, is harming the Amazon and African bush forests. Plants and trees supply oxygen, food, water, and medicine to people all around the world. To assist tackle this problem, hotels and hospitality firms should use more recycled and organic products, reducing the quantity of paper and cardboard they use.

2.3.5.5 Pollution

Pollution is a major contributor to many other environmental issues, including climate change and biodiversity. Our ecology is being harmed by seven major forms of pollution: air, water, soil, noise, radioactive, light, and thermal. Pollution and environmental problems are all interconnected and impact one another.

2.3.5.6 Climate Change

As a result of human actions such as the usage of chlorofluorocarbons, the Earth is warming faster than it would naturally (CFCs). Greenhouse gases are the primary driver of climate change, trapping the sun's heat and warming the earth's surface. Global sea level rise is decreasing the land, triggering major floods and extreme weather events all across the planet. Examples of global warming repercussions include an increase in the frequency of severe storms such as typhoons or hurricanes, which threaten tourism sites, and a rise in sea levels, which affects low-lying countries.

2.3.5.7 Health and Safety Issues

On a worldwide scale, public health challenges such as viruses and infections will continue to harm tourism and hospitality offers and destinations, particularly in underdeveloped countries. Most nations throughout the world, as well as their tourist and hospitality enterprises (such as resorts and cruise lines), and international athletic events, have been badly impacted in recent years by an outbreak of the Coronavirus in 2020.

2.3.5.8 Natural Disasters

Natural catastrophes occur all over the world and have a significant influence on the lives of those who are immediately impacted as well as those who intend to visit the region. Earthquakes, hurricanes, floods, tornadoes, typhoons, avalanches, tsunamis, cyclones, fires, and volcanic eruptions are examples of natural catastrophes. Natural disasters have an impact on the popularity of any destination. Damage to infrastructure, such as roads and bridges, restricts access to natural disaster-affected areas. Furthermore, many of these calamities occur unexpectedly and have a severe impact on a region's tourism business when extensively publicized on television or in newspapers. In certain circumstances, a lack of natural resources has an influence on the tourist business environment.

2.4　Summary

- The external environment (or macro-environment) consists of societal and global (external) factors that affect a tourism company.
- The political, economic, socio-demographic, technical, legal, and environmental elements that impact an organization are referred to as PESTLE.

2.5　References

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2.6　Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. The external environment (or macro-environment) is made up of societal and global (external) aspects that influence a tourist organization.

2. Political, socio-demographic, technology, ecological, legal, economic

Answers to SAEs 2

1. Interest rates, employment rates, rates of exchange, inflation, taxation

2. Biodiversity refers to all living things and ecosystems that make up the environment; from trees to bacteria, everything plays a significant role in the planet's upkeep.

UNIT 3   PROMOTING TOURISM AND HOSPITALITY PRODUCTS

Unit Structure

3.1   Introduction

3.2   Learning Outcomes

3.3   Communications Theory

    3.3.1   Source

    3.3.2   Encoding

    3.3.3   Message

    3.3.4   Noise

    3.3.5   Media

    3.3.6   Decoding

    3.3.7   Receiver

    3.3.8   Response

3.1   Introduction

Promotion receives the greatest attention in tourism and hospitality marketing of any component of the marketing mix. Indeed, some marketers believe that advertising is the only marketing activity. Promotion is used to deliver information about products to certain markets. It is also useful in informing, educating, influencing, and recalling customers. Because there is no physical product or packaging to draw the attention of potential consumers, the intangible nature of tourist products makes this position even more critical. The purpose of promotion is to increase demand and produce consumers. Thus, promotional activities comprise all acts aimed at encouraging or advancing the sale of a tourism offering. Promotion fulfills these goals by sending a message to the target market about the product offering (both consumers and the travel trade). To communicate the message, the marketer can use a variety of tactics, including advertising, digital marketing and social media, sales promotion, public relations (PR), personal selling, sponsorship, and marketing collateral. These methods are referred to as the promotional mix. The message must then be communicated to potential customers by word of mouth, some type of display, or the media (television, radio, theinternet, and the press). The selection of media is also known as the marketing communications mix.

3.2   Learning Outcomes

This unit will teach you about the communication methods used to market tourism and hospitality offerings. After reading this chapter, you should be able to:

- Explain the relationship between promotion and marketing communications;

- Understand the role of promotion within tourism and hospitality marketing;

- Briefly describe the various promotional techniques available to marketers;

- Define the terms "promotions mix" and "advertising";

- Explain the major decisions to be made when designing an advertising campaign

Self-Assessment Exercises 1

1. What is purpose of communication theory?

2. How many are the basic components of marketing communication process

3.3   Communications Theory

Communication theory explains why some forms of commercial communication occur. To create effective promotional messaging, tourist marketers must first grasp communication theory: how and why particular marketing actions occur. Communication from the source (or sender) is a one-way procedure that requires nine basic components, as shown in. Figure 14.

3.3.1   Source

The marketing communications process starts with the information source (or sender): the person or organization with a message to communicate to customers. It intends to promote the message of family-oriented entertainment and inexpensive all-inclusive costs to families, for example.
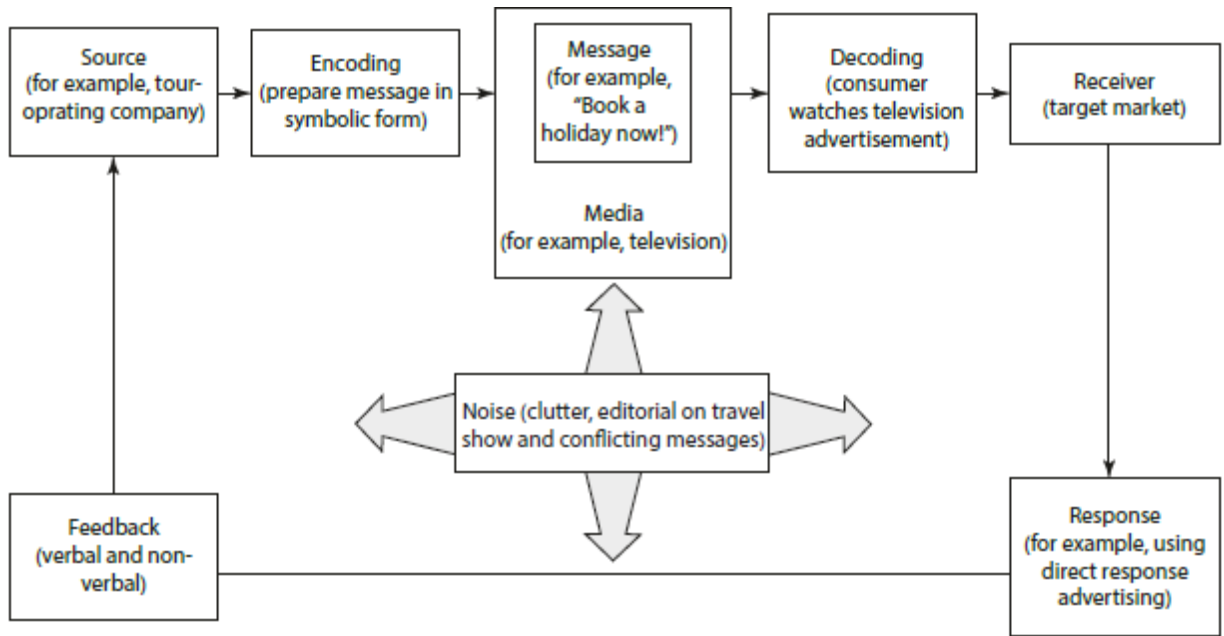
Figure 14: The process of marketing communication

3.3.2 Encoding

Encoding is the process of putting the message into a symbolic form that the target market would understand.

3.3.3 Message

The message is what the source wishes to convey and hopes the receiver comprehends.

The message should be straightforward and clear. It's critical that the message gets to the correct individuals.

3.3.4 Noise

The marketer's primary concern is that the message not be twisted within the marketing communications process. This noise may result in the consumer getting no message or a message

that differs from the one intended by the provider. A television advertising for Emirates, for example, broadcast immediately after a news story about an airplane disaster or a terrorist attack at an international airport would fail to deliver a persuasive message. Similarly, clutter may distort the message, exposing the audience to an overwhelming amount of advertising messages that interfere with the advertiser's intended message. Even the most costly and meticulously planned newspaper advertising may fail. For example, if there is a bad news report about a horrific tragedy involving a visitor at the theme park on the following page, an advertisement for the theme park will not have the desired impact on customers.

3.3.5   Media

The media are the communication channels that carry messages from source to recipient. In the case of Emirates, the communication channels include television advertising, sports sponsorship, movie advertising, newspaper advertising, out-of-home advertising (billboards, transportation, etc.), and social media.

3.3.6   Decoding

Receivers evaluate a message once it has been decoded. A message from Emirates can be encoded or understood in such a manner that it takes on a personal significance for the consumer who watches or hears it.

3.3.7   Receiver

Receivers are those who notice or respond to the source's message: for example, customers who watch or listen to the Emirates advertising.

3.3.8 Response

The ultimate goal of any promotion is to influence customer purchasing behavior by increasing demand to produce sales. After then, the recipient responds and reacts. This might be anything from fundamental ideas and sentiments regarding the message to an action reaction.

3.3.9 Feedback

The return message that the receiver delivers back to the source is known as feedback. Feedback between two people is quite simple to assess. When many promotional approaches are utilized with a set of receivers, evaluating feedback becomes more challenging.

Self-Assessment Exercises 2

1. What is integrated marketing communication?

2. State the criteria a marketer must consider while crafting a message

3.4 The Promotional Campaign

To accomplish an efficient promotional campaign, the tourist marketer must select the right combination of promotional mix strategies. A marketer can use simply one of these tactics or a mix of all of them, which is known as "**integrated marketing communication**" (IMC). When deciding on the best promotional approach or tactics, a variety of criteria must be considered. The coordinated creation and delivery of a consistent marketing communications message(s)

with a target audience is referred to as ***integrated marketing communication***. Promotion, like any other marketing activity (such as pricing or marketing strategy), begins with an examination of goals, which involves the following considerations concerning the promotional campaign:

1. Identifying the marketing goal or job

2. Identifying the target demographic

3. Identifying the intended response

4. Creating the message

5. Taking into account the advertising budget

6. Choosing the sort of marketing

7. Evaluate the impact.

3.4.1   Determining the Marketing Objective or Task

The initial stage of promotion design is determining which marketing objective is being addressed. There are four primary goals to choose from: discriminating, reminding, informing, and persuading. This is known as the DRIP model.

3.4.1.1 Differentiating

There is nothing to distinguish brands in many areas (for example, guesthouses, airlines, and rental-car companies). Marketing communications pictures assist distinguish one brand from another.

3.4.1.2 Reminding

Reminder promotions are typically employed after an item has developed to remind customers of its presence. Emirates Airlines, for example, always runs commercials to urge the international audience to fly with Emirates. Reminder promotions and advertising are also used to remind customers where and when they may buy the product.

3.4.1.3 Informing

Informative promotions are used to make potential customers aware of the advantages and benefits of a tourism service, or to generate new demand. It is used to notify consumers of a pricing adjustment, to appeal to new target markets (for example, school children), and to create or improve an organization's image.

3.4.1.4 Persuading

Persuasive promos are vital for increasing customer loyalty as competition grows, changing consumers' opinions, and encouraging consumers who are utilizing a competitor's service to switch brands. This style of promotion frequently employs comparison advertising, in which two organizations or offers are contrasted in an advertisement.

3.4.2   Identifying the Target Segment

The first aspect to examine is the target audience as well as the advantages that this audience is looking for. Most tourist firms target many market segments (defined as a group of consumers with comparable requirements and/or characteristics). Current and future users, as well as category and brand users, may be included in the market segment. Individuals and groups (for

example, "people who go on vacation" or "those who travel on international vacations") The marketer's choice on what the message will say, how it will be stated, where it will be said, and who will say it is heavily influenced by the target audience.

3.4.3 Determining the Desired Response

Following the identification of the target audience, the marketer must decide the intended reaction (often known as the "call to action"). Diverse objectives associated with the (AIDA) process necessitate different promotional approaches to generate Awareness, arouse Interest, and generate a Desire, which leads to Action. As a result, the expected reaction to every promotional activity is tied to the marketing goal. If the promotional activity generates the intended reaction, the marketer's job is to convince customers that they made the correct decision in a vacation, to deliver a great experience to ensure a repeat visit, and to continue advertising to attract new users.

3.4.4 Designing the Message

Marketers should consider the following criteria while crafting a message:

• The message's source

• The media channel to be used

The message's credibility is determined by who is delivering it. A friend or relative, for example, would be a reliable source, but a stranger would require credentials to ensure the accuracy of the information. The marketer must then choose a media channel to communicate the message to the target audience. Broadcast (television, radio, cinema), print (press, posters, monthly and weekly consumer magazines, trade magazines), digital (including e-mail, websites, billboards, apps, and

social media), and out-of-home (OOH) are examples of media channels (billboards, street furniture). Another consideration in the selection of advertising strategies is whether a tourist organization selects a push or a pull strategy. **A push strategy** is a technique in which an organization promotes directly to the intermediates who stock the item and then push it to their customers.

A *push strategy* is a promotional plan that use sales strategies to advance the product offering. The principal (for example, a hotel, a tourist attraction, or a cruise line) employs promotional techniques such as personal selling and sales promotion to encourage intermediaries (for example, tour operators or wholesalers who then promote the offering to retailers or travel agents) to order, stock, and promote the offering to consumers. A tourist organization adopting a pull approach, on the other hand, drives its promotional strategies (mostly advertising and some sales promotion) towards customers in order to entice them to purchase services. This method is intended to increase consumer demand and draw customers into travel agencies, pushing intermediaries to supply the product due to high demand.

3.4.5   Considering the Promotional Budget

The quantity of money to be spent on the promotional campaign is another issue that the marketer should consider when deciding which promotional instrument to utilize. Setting a budget for a new product might be difficult since there are no known benchmarks of sales and profitability. One or more of the approaches listed below can be used to calculate a promotional budget.

4.4.5.1 Affordability or Ad Hoc Basis

The most basic approach is to establish a promotional budget based on what the firm can spend. In truth, most small firms have an unstable financial flow. One disadvantage of this way of budgeting is that it entirely overlooks the influence of marketing on sales volume.

4.4.5.2 Industry Average

This strategy is based on an examination of rivals' promotional spending. This technique, like the going-rate pricing plan, puts the promotional budget at the level required to attain parity, or equal competitors' outlays. Companies watch rivals' advertising or do research into industry expenditure estimates from trade groups before establishing budgets based on the industry average.

4.4.5.3 Percentage-of-Sales Method

The promotional budget is determined as a proportion of historical or predicted sales in this manner. (In the hotel industry, the anticipated advertising spend is 1% of sales for a typical hotel and 2% of sales for a limited-service or budget hotel.) The difficulty with this strategy is that it does not account for a drop in sales or income due to an unexpected occurrence, such as a recession, or a loss of market share due to competitive action.

4.4.5.4 Marketing Objectives

The budget in this strategy is based on the tasks necessary to achieve the precise marketing objectives. The costs of these jobs are then calculated. For example, if the goal is to grow sales by 15%, the marketer will create a budget to achieve this.

4.4.5.5 Share-of-Voice Method

Products and brands are evaluated based on their marketplace share of voice.

This is calculated based on the value (based on cost) of the exposure they receive in promotional materials over monthly periods, such as adverts in print, in theaters, on television and radio, in out-of-home media (OOHM) (such as transportation), on flyers, and on the Internet. AdEX is a technology that monitors advertising spend in several categories using standard rate cards from media owners.

3.4.6 Selecting the Type of Promotion

The goal of promotion is to persuade potential customers of the benefits of acquiring or using a certain organization's tourist product offerings. The tourist and hospitality marketer has eight various techniques (tools) of expressing promotional messages to the public (the promotions mix):

1. Promote the offering using a chosen medium, such as digital/broadcast (television, radio, cinema, Internet, mobile), print media (newspapers, travel, trade publications, and consumer magazines), or OOHM (billboards, transit posters).

2. Using digital marketing, such as website content (e.g. video, photographs, text, apps, newsletters, e-brochures, press releases, and newsletters), social media (e.g. Facebook, Instagram, Tik Tok, Twitter, SnapChat, Linked-In, and Flickr), and e-mail to communicate with consumers and promote tourism and hospitality products.

3. Conducting direct marketing operations in order to elicit a direct reaction from the intended market by mobile phone (telemarketing), direct e-mail or mail (postal), SMS/text, and travel trade shows and events.

4. Participating in sales promotion activities such as point-of-sale merchandising, sampling, flyers, in-store (travel agency) window displays, coupons or pounds-or-euro-off deals, competitions, and sweepstakes (these short-term activities may be aimed at salespeople, intermediaries such as travel agents or consumers).

5. Creating exposure for the service through public relations (PR), such as bringing travel reporters or sales professionals from the travel trade to experience the offering (also called as "educational" or "fam" visits).

6. Using personal selling strategies to get customers to buy products in person (e.g. up-selling).

7. Converting an inquiry into a sale by utilizing numerous types of marketing collateral, such as e-brochures, guidebooks, business cards, and posters.

8. Participating in the sponsorship of sporting events and teams, festivals, and causes.
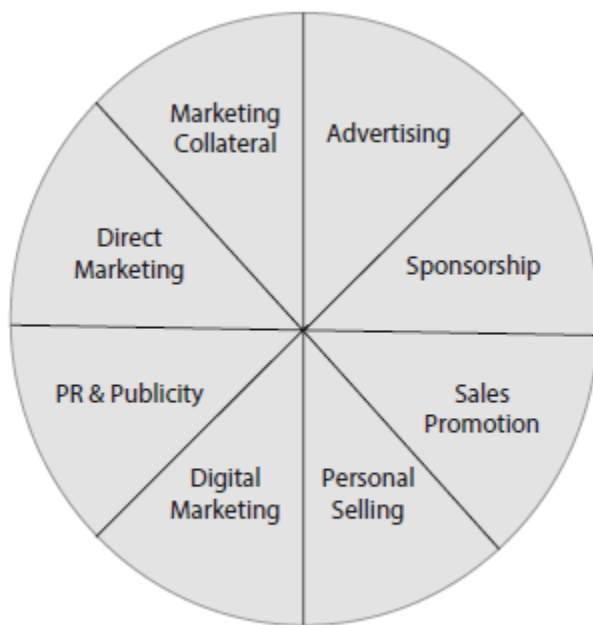
■ **Fig. 10.3** The tourism and hospitality promotions mix. (Source: Author's creation)

3.5 Integrated Marketing Communications

IMC (integrated marketing communications) is the coordinated use of promotional mix techniques. A marketer, for example, may utilize advertising to raise awareness and public relations to elicit media commentary, then reinforce the messaging through personal selling and direct marketing. Mobile marketing is frequently used to reinforce messaging and urge customers to make repeat purchases of products. The increased usage of digital marketing creates challenges for IMC. These include challenges such as monitoring the performance of a promotional effort (referred to as "metrics") and the funding required to do so, as well as generating content (gathering, writing, and editing promotional information). If marketers employ more than one marketing approach, they must coordinate their efforts. Advertisements, commercials, telemarketing, a website, and social media initiatives must all be linked to produce a consistent message.

3.6   Above-, Below and Through-the-Line Promotional Activities

All promotional actions come into one of three categories: above-, below-, or through-the-line marketing.

3.6.1   Above-the-Line Marketing Above-the-line (ATL) promotion is marketing exposure on paid media space that may result in a commission (a charge) for the advertising agency (also known as a "media agency"). This includes television, radio, newspaper advertising, billboard advertising, web banners, and any other promotional activity in which space is purchased based on time, frequency, or size.

3.6.2 Below-the-Line Marketing Below-the-line (BTL) promotion is any action in which a message is disseminated through channels where media space has not been paid. This can

range from using merchandise or press releases in a local newspaper to attending a travel trade show, telemarketing, and direct (e-) mail marketing.

3.6.2 **Through-the-Line Marketing Through-the-line (TTL) promotion** is a marketing campaign that contains components of both above- and below-the-line promotional activities. A "360-degree strategy" is another term for a through-the-line campaign.

3.7 Convergence

There have been various advancements in the digital media field in recent years, most notably convergence. The merging of two or more technologies in one device is referred to as "convergence." Mobile phones, for example, are no more only a communication device; they also have the capabilities of a computer, a gaming device, and a television. As a result, numerous forms of media have grown more interactive and portable. When digital marketing is used to ensure an integrated and coherent message across all deployed media, a convergence marketing approach is used. The consumer is at the heart of this strategy, where he or she is targeted via every available means of communication, including blogs, social media, news sites, video sites, and forums.

3.8 Monitoring the Impact

The final phase in the advertising effort is to try to measure the impact. Have marketing goals been met? Some advertising tactics produce better outcomes than others. When opposed to outdoor advertising, the performance of sales promotions such as coupons is very straightforward to quantify (it is almost impossible to assess how many people notice an outdoor advertisement). [space between lines] Before, during, and after every promotional effort, market

research is essential. It is utilized to determine the target audience and the message that is required.

3.9   Summary

- Communication theory describes why certain types of commercial communication occur, as well as the nine essential components.

- The coordinated employment of promotional mix strategies is referred to as IMC (integrated marketing communications).

- The marketing objective or task has four major goals: discerning, recalling, informing, and convincing.

- All promotional actions are classified as above-, below-, or through-the-line marketing.

- In recent years, there have been several breakthroughs in the realm of digital media, most notably convergence.

3.10   References/Further Readings

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3.11   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. To create effective promotional messaging, tourist marketers must first grasp communication theory: how and why particular marketing actions occur.

2. Nine

Answers to SAEs 2

1. The coordinated creation and delivery of a consistent marketing communications message(s) with a target audience is referred to as integrated marketing communication.

2. The message's source and the media channel to be used

UNIT 4   ADVERTISING TOURISM AND HOSPITALITY PRODUCTS

Unit Structure

4.1   Introduction

4.2   Learning Outcomes

4.3   Advertising

4.4   The Advertising Campaign

4.4.1   Objective Setting

4.4.2   Budget Decisions

4.4.3   Message Decisions

4.5   Choosing Among Media Types

4.6   Advantages and disadvantages of major types of media

4.1   Introduction

This unit examines the rising importance of advertising in the hotel sector and learn how to build and convey effective marketing messages to entice potential customers to purchase tourism and hospitality products.

4.2   Learning Outcomes

The student should be able to:

- Definition of advertising

- State the five considerations for advertising campaign

- Understanding the several media types

- Evaluation of advertising campaigns

Self-Assessment Exercises 1

1. What is advertising?

2. State the critical considerations in the advertising campaign

4.3   Advertising

Advertising is the most well-known tool in the promotion mix. Advertising is a paid, mediated type of communication from a known source that is intended to encourage the receiver to take some action, now or in the future. It is a paid media placement of a message with the goal of influencing customers. Advertising enables tourism and hospitality principals (such as hotels, car rental companies, visitor attractions, and airlines) and intermediaries (such as tour operators, travel agents, and online travel agencies) to reach people (target markets) in their own homes, other places, or on the move and communicate messages intended to influence their purchasing behavior. Thus, the distinction between advertising and other promotional methods is that advertising is paid for by organizations.

This feature gives a marketer control over the advertising message: what is stated, when and how it is communicated, and by what methods. When people think of promotion or marketing, the first promotional instrument that comes to mind is generally advertising. It is an above-the-line marketing activity, whereas sales promotion, digital marketing and social media, direct

marketing, personal selling, marketing material, public relations, and sponsorship are all considered below-the-line marketing activities. Advertising is a one-way street, as opposed to personal selling, which is a two-way street.

4.4   The Advertising Campaign

The tourist marketer must make five critical considerations when developing an advertising campaign (or media strategy). These decisions are explained more below.

4.4.1   Objective Setting

Setting objectives, as with any marketing strategies, is the best method to begin organizing an advertising campaign. As previously said, there are four primary purposes to consider: distinguishing, informing, convincing, or reminding the target market.

4.4.2   Budget Decisions

Once the marketer has settled on the advertising objectives, a campaign budget must be established. These are the approaches for creating a promotional budget:

a. affordability or on an as-needed basis

b. industry average

c. Sales-percentage technique

d. Marketing objectives

e. Share-of-voice approach

These approaches can also be used to calculate the advertising budget.

4.4.3   Message Decisions

The third stage in creating an advertising campaign is deciding on the message that the commercial will convey. No matter how much money is spent on advertising, the message will only be successful if it attracts attention and communicates well. Consumers should find the message innovative, interesting, and gratifying. Below are the three stages that marketers should take to create a creative advertising message.

i. **Message generation**

A messaging concept must be developed. The intangible nature of tourist products makes it challenging for tourism marketers to choose a message. How do you depict a hotel stay, a vacation, or a dining experience? However, with a little imagination, this is doable.

ii. **Message evaluation and selection**

The tourist marketer must assess potential messages using factors such as meaningfulness, trustworthiness, and uniqueness.

iii. **Message execution**

The message must be delivered in a way that captures the attention and interest of the target market. The marketer must choose the right style, tone, language, and structure to convey the advertising message.

Self-Assessment Exercises 2

1. Briefly describe the importance of internet to advertising

2. Give three examples of broadcast media

4.5   Choosing Among Media Types

Because of the range of media vehicles accessible, such as newspapers, the Internet, magazines, television and radio stations, digital, and out-of-home media, this is frequently a tough decision to make (OOHM). Print media and broadcast media are the two primary types of media. Newspapers (local and national), magazines (consumer and specialist trade journals), posters, maps, brochures, and guidebooks, outdoor or out-of-home advertising, circulars, and inserts in free press and magazines are all examples of print media. Consumers look for bargains in local neighborhood newspapers and publications (for example, weekend getaways and restaurant specials). Customers read and respond to local media advertising; local print media (e.g., community newspapers) provide a perfect platform for connecting with consumers. In newspaper advertising, there are two options: local or national newspapers. Local newspaper quality might vary substantially. Local newspaper advertising is less generic and more personalized than other kinds of advertising. Furthermore, magazines may capture consumers' full attention in their homes.

Magazines also serve an educative role in the brand-consumer interaction. Advertisers employ **broadcast media**, including television and radio. Advertisers can add visual and/or auditory elements to their messaging by using broadcast media. Broadcast media often reaches a large number of people. Television advertising is typically prohibitively expensive for businesses with little marketing resources. For small businesses, national television attention is seen as a significant step forward. Companies that are seen on television by the general public are seen differently than those that are not. Television advertising is ideal for smaller businesses looking to raise brand recognition. In many developing nations, radio (public broadcasting) is the most extensively utilized media. It has the benefit of being participatory over other mediums (listeners can telephone, e-mail, tweet, or text into the broadcaster).

Radio listeners are increasingly adopting mobile devices (particularly cellphones) and the internet to listen to their favorite radio stations (but mostly from home). As an advertising medium, radio may be quite effective. Radio advertising, on the other hand, should not last more than twenty to thirty seconds. The commercial must capture the attention of listeners in this limited time. A radio commercial should be interesting and motivate the customer to take action. Two-way interactive communication is possible with **digital media**. For example, banner advertising give a click, which leads the visitor to a new website where they get information, make decisions, and perhaps register. It consists of the internet, social media, e-mail, and applications. Digital advertising extends far beyond the Internet, distributing various types of digital material (such as text, video, audio, and graphics) to a variety of information-receiving devices other than personal computers. In recent years, social media advertising has grown.

The internet marketplace has returned a lot of purchasing power to buyers and customers, prompting many marketers to become more innovative, honest, and helpful. Marketing online has the distinct benefit of being targetable and quantifiable in comparison to other channels. It is quick, and messages may be tailored to specific audiences. Because of the internet's tremendous reach, advertisers can reach many more people than traditional advertising mediums at a fraction of the expense. Internet advertising is great for companies that have a national or worldwide target market as well as large-scale distribution capabilities. Aside from advertising, the internet allows you to utilize word-of-mouth marketing and develop "buzz" about a tourism service. Customers can praise or blame your firm based on their own experiences through product or service review websites (such as TripAdvisor) and social media (for example, Facebook).

As a result, the internet immediately connects the customer care component to advertising. A digital advertisement has the ability to reach a huge number of people (a large reach) and is

ideally adapted to mobile (phone and tablet) interaction. The media mix includes print, broadcast, and digital media. Media strategists choose the most effective mixture of traditional, non-traditional, and marketing communication means to reach the target audience. The selection of media is dependent on characteristics such as the size of readership or viewership of various media. Traditional media and new media are two terms used to describe different sorts of media. Print, television, radio, and outdoor media are all examples of "traditional media." Digital, texting/SMS, internet, and other sorts of promotional efforts are referred to as "new media." Ratecards are published by media research organizations that reveal the usual pricing of advertisingspace for various sorts of media. (A rate card is a document that contains costs and information for various advertising placement choices offered by a media source.) Information on the most popular television shows.

OHHM advertising trends (such as billboard advertising, shopping center displays, signs on buses and bus shelters, and cinema advertising), radio listenership, magazine readership (for weekly, fortnightly, and monthly magazines), and newspaper readership (for local and national daily and weekly newspapers) are available from a variety of websites and companies. Prices are usually determined by the size of the advertising and the number of viewers or readers reached by the media vehicle.

4.6 Advantages and disadvantages of major types of media

4.6.1 Broadcast media

1. Television

Advantages

i. Blends music, color, and movement Capability to reach a large consumer base (high reach)

ii. An attention-grabbing medium (high persuasive impact)

iii. Possibility for innovation

iv. Beneficial to a company's or brand's image

Disadvantages

i. Expensive production and airtime

ii. Brief exposure Life expectancy is short.

iii. A lot of advertising clutter

iv. The use of advertisement-skipping technology, which stops adverts from being viewed

v.The presentation of firm information is problematic, limiting the likelihood of a transaction.

2   Cinemas

Advantages

i. Effective for targeting certain customers (for example, young people or professionals) ii. High-

quality audio and visual qualities

iii. Extremely attention-grabbing media.

Disadvantages

i. Transient exposure

ii. Limited reach (the majority of moviegoers are aged 18–35)

iii. High production and airtime expenses

3   Commercial radio

Advantages

i. A long range

ii. Target diverse sectors (for example, domestic), socio-demographic (for example, young), lifestyle (for example, sports), and religious markets.

iii. Low cost Excellent local acceptability

iv. Possible short lead times

v. Listeners who are devoted.

Disadvantages

i. Only audio presentation, making tangible offers impossible.

ii. Brief exposure (short shelf life)

iii. Advertising clog

iv. Medium for attracting less notice.

4.6.2 Printing media

1. Local newspapers

Advantages

i. Effective at communicating with the intended audience

ii. Consumer trust is high; it is less expensive than television.

iii. Because commercials are very affordable, they may be repeated.

Disadvantages

i. Reproduction quality is poor.

ii.   Short shelf life due to media clutter

iii.   A small crowd of passers-by.

2. *National newspapers*

Advantages

i.   Widespread distribution (high reach)

ii.   Suitable for people of all income levels

iii.   The frequency enables for recurrence.

iv.   Print advertising take more time to read than digital advertisements.

v.   Realistic (ideal for coupons and can prove contact details)

vi.   It is feasible to have a short lead time.

Disadvantages

i.   The audience selects reads

ii.   Advertising clog

iii.   Low attention-grabbing media might be costly.

3. *Posters*

Advantages

i.   Specific markets are targeted (for example,shoppers)

ii.   Longevity at a Low Cost (especially on public transport)

Disadvantages

    i.   Audience selection is limited.

   ii.   Creative constraints

  iii.   Brand image issues

  iv.   Exposure time is limited.

4   Specialist trade magazines and journals

Advantages

    i.   Excellent for certain target markets

   ii.   Quick lead times

  iii.   Advertisements with high information content

  iv.   Excellent credibility

   v.   Excellent readership spread.

Disadvantages

    i.   Advertisements from Clutter Competitors may be included.

   ii.   Long lead time for purchasing advertisements.

5   Monthly and weekly consumer magazines

Advantages

    i.   Excellent for getting out to certain target markets

   ii.   Goodpass-along readers tend to read more than once.

  iii.   Excellent credibility

  iv.   Widespread distribution

v.   Advertisements with high information content

   vi.   Long storage life.

Disadvantages

   i.   Long purchase or contract duration for advertisements

   ii.   There is no assurance of position.

   iii. High-priced (a high cost per contact and expensive production costs)

   iv.   Clutter.

4.6.3   *Digital media*

1.   *Online advertising* (for example, banner advertisements and e-mail)

Advantages

   i.   Broad coverage

   ii.   Easy to track and measure target audience

   iii. High user involvement.

Disadvantages

   i.   Advertising clutter is readily

   ii.   Replicated marketing materials.

2.   *Social media*

Advantages

   i.   Low Cost

ii.   Personalization

iii.   Immediacy

iv.   Capabilities for interaction

Disadvantages

i.   Low potential impact

ii.   Attention span is limited.

iii.   High level of audience control over content and exposure.

4.6.4   Out-of-home (OHH) media

1.   Billboards

Advantages

i.   High visibility in high-profile settings

ii.   Life expectancy (long life span)

iii.   Low price

iv.   Size has a large visual influence.

v.   Extensive recurrent exposure.

Disadvantages

i.   The detailed message cannot be used.

ii.   Consumer interest is fleeting.

iii.   It is difficult to assess efficacy.

2. *Transit media*

Advantages

   i.   High-frequency targeting of certain markets.

Disadvantages

   i.   Brief exposure

   ii.   Brand image problems.

4.7   Evaluation of Advertising Campaigns

The amount by which sales grow is perhaps the greatest measure to evaluate the performance of an advertising campaign. However, advertising as a promotional tool is rarely employed in isolation, making it impossible for the marketer to precisely assess its impact. Furthermore, the goals of advertising are generally long-term. They are not instantaneous, as are the goals of sales promotion and other below-the-line promotional methods. Many factors can influence the link between advertising and sales. These influences might range from the weather to a change in currency rates. The following are the most practical methods for measuring advertising performance for small tourism businesses:

- Counting the number of inquiries received in a specific time period;
- estimating the cost per inquiry;
- polling the degree of advertising recall and buy intent;
- conducting conversion studies.
- The marketer has two options for conversion studies:
- response measurement

- pre- and post-testing.

4.7.1 Response Measurement

It is feasible to measure replies against spending in the case of advertising that include a phone number, e-mail address, or Twitter account. Advertisements can also be labeled with letters or numbers to enable tracking and measurement. People who answer might also be asked how they heard about the advertisement or offer.

4.7.2 Pre- and Post-testing

Personal interviews with a sample of the target market may be undertaken before to or during an advertising campaign to assess how a certain commercial affects consumers. A panel of customers, for example, subjected to a series of adverts can be asked how they rank them. Alternatively, once an advertising has been released, a proportion of consumers might be asked what they recall about the message. Visitors to hotels and attractions may be questioned how they learned about the deal and where they saw it advertised.

4.8   The Role of Media Agencies

Most medium and big tourist organizations hire media companies to create and display their adverts. The word "media agency" (or "advertising agency") often refers to a corporation whose primary purpose is to conceptualize and develop large-scale marketing concepts for its customers. Traditionally, media firms develop the primary concept for a marketing campaign and then construct a series of commercials that express that concept across various media. They often focus on above-the-line (ATL) marketing. Previously, media companies provided a variety of

marketing services under one roof. Most big agencies now outsource their more specialized in-house units as independent companies. Some media organizations buy advertisements, while others plan and buy. Media agency provide five distinct functions:

a. Advertising planning: Most firms can put together a whole advertising campaign, making all required decisions on the tourism organization's behalf.

b. Creative services: A media agency may create inventive messaging as well as pick advertising media and media vehicles.

c. Media services: Agencies choose media and purchase airtime or space. They are compensated by the media businesses who put the adverts.

d. Research services: The majority of media organizations provide research services for assessing before and post-advertising campaigns.

e. Sales promotion and collateral marketing services: Media firms often offer sales promotion and sales literature materials such as vouchers and brochures.

4.8.1   Advantages of Using a Media Agency

The following are some of the benefits of hiring a media or advertising firm to design and place advertising for a tourist organization:

i. Employees in media companies are trained to be creative.

ii. They have a lot of expertise in advertising and are usually objective.

iii. Agencies may save marketers money by costing less than hiring a full-time advertising professional.

iv. Media agencies are more likely than tourist marketers to be familiar with the media and media vehicles.

v. Media firms may typically acquire greater advertising rates than individuals.

4.8.2   Selecting a Media Agency

Marketers should use caution when selecting a media agency. Many organizations solicit bids from a variety of agencies before selecting one. However, tourism marketers should use caution while employing this strategy. Some organizations are hesitant to invest time developing bids that may not be approved, especially for smaller clients. Furthermore, because they do not need to, many of the major media or advertising companies do not tender for business unless it is a very substantial account. Similarly, agencies that do tender for business may need to do so because they are ineffective. Smaller tourism organizations should likewise be careful of huge media companies who assign relatively inexperienced junior workers to smaller accounts. It is recommended to call agency clients and inquire about their experiences working with the agency. Essentially, all media agencies plan and/or purchase advertising media space. Some agencies are better positioned than others to acquire media more inexpensively and efficiently. Another crucial factor to consider when choosing a media firm is agreement on the advertising campaign's objectives. This should be established ahead of time; otherwise, it will be impossible to hold the agency accountable if the objectives are not met.

4.9   Summary

- Advertising is a paid, mediated type of communication from a known source that is intended to encourage the receiver to take some action, now or in the future.

- The tourist marketer must make five critical considerations when developing an advertising campaign (or media strategy).

- There are several media types

- The amount by which sales grow is perhaps the greatest measure to evaluate the performance of an advertising campaign.

- Most medium and big tourist organizations hire media companies to create and display their adverts.

4.10   Glossary

Biodiversity: It is the variety of plant and animal life in the world or in a particular habitat, a high level of which is usually considered to be important and desirable.

Climate: It is the weather conditions prevailing in an area in general or over a long period.

Competitor: one selling or buying goods or services in the same market as another offering lower prices than our competitors.

Crime: It is an action or omission which constitutes an offence and is punishable by law.

Deforestation: It is the purposeful clearing of forested land.

Demography: It is the study of statistics such as births, deaths, income, or the incidence of disease, which illustrate the changing structure of human populations.

Education: It is the process of receiving or giving systematic instruction, especially at a school or university.

Environment: It is the surroundings or conditions in which a person, animal, or plant lives or operates.

Exchange: It is an act of giving one thing and receiving another (especially of the same kind) in return.

External: having merely the outward appearance of something

Fashion: It is a popular or the latest style of clothing, hair, decoration, or behaviour.

Inflation: It is a general increase in prices and fall in the purchasing value of money

Intermediary: Someone who moves back and forth in the middle area between two side

Internal: existing or situated within the limits or surface of something

Legal: deriving authority from or founded on law

Lifestyle: It is the way in which a person lives.

Marketing: These are activities a company undertakes to promote the buying or selling of a product or service

Performance: It is the action or process of performing a task or function.

Pollution: It is the introduction of harmful materials into the environment

Population: It is the whole number of people or inhabitants in a country or regio

Society: It is the aggregate of people living together in a more or less ordered community.

Supplier: A person or organization that provides something needed such as a product or service.

Taxation: It is the imposition of compulsory levies on individuals or entities by governments in almost every country of the world.

4.11   References/Further Readings

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4.12   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Advertising is a paid, mediated type of communication from a known source that is intended to encourage the receiver to take some action, now or in the future.

2. Objective setting, budget decisions, message decisions

Answers to SAEs 2

1. The internet immediately connects the customer care component to advertising

2. Television, cinemas, commercial radio

MODULE 5 DIGITAL MARKETING, IMPACT OF CULTURE AND SALES MANAGEMENT ON PRODUCTION AND DELIVERY OF HOSPITALITY PRODUCTS/ SERVICES

Unit 1   Digital marketing in tourism and hospitality

Unit 2   Platforms of digital marketing in tourism and hospitality

Unit 3   Impact of culture on production and delivery of hospitality products/ services

Unit 4   The role of selling and sales management in marketing

Unit 5   Selling theories

UNIT 1   DIGITAL MARKETING IN TOURISM AND HOSPITALITY

Unit Structure

1.1   Introduction

1.2   Learning Outcomes

1.3   Digital Marketing

1.4   Advantages of Digital Marketing

1.5   The 5Ds of Digital Marketing

1.6   Digital Marketing Domains

    1.5.5   Business to Consumer

    1.5.6   Business to Business

    1.5.7   Customer to Customer

    1.5.8   Consumer to Business

1.7   Digital Media: Content Marketing, and Owned, Paid, and Earned Media

1.7.1   Content Marketing

1.1   Introduction

The new marketing is digital marketing. The internet, increasingly mobile communication, and other digital technologies now have an influence on practically every organization in some way. For some time now, the internet and mobile communication have opened up new and relatively low-cost ways to reach customers, providing a plethora of alternatives. The internet introduces a new marketspace (the digital equivalent of a marketplace), a new sales channel, and a new promotion approach. It enables novel modes of communication and client relationship management (CRM). Hundreds of millions of people use the internet on a daily basis, providing a potential target market for tourist and hospitality firms' products and services. The internet has resulted in one of the most fundamental revolutions in marketing: it has changed the balance of power to individual customers and, through social networking sites, entire communities.

1.2   Learning Outcomes

This unit will teach you how to utilize digital marketing and social media marketing to promote tourism and hospitality product offers. After reading this unit, you should be able to:

- Define the terms "digital marketing" and "social media marketing"
- Identify the various functions of the internet
- Explain the benefits of digital marketing
- Describe the three types of media used in digital marketing: paid, owned, and earned

- Explore the techniques used in digital marketing and social media marketing (SMM)

Self-Assessment Exercises 1

> 1. What is digital marketing?
>
> 2. Describe the 5Ds of Digital Marketing

1.3 Digital Marketing

"Achieving marketing objectives via the use of digital technology and media," according to the definition of digital marketing. The selling of products or services using digital electronic devices or channels such as the internet, social media, e-mail, digital television, search engines, and wireless media is known as digital marketing. It varies from traditional marketing in that it involves the use of channels and procedures that allow an organization to analyze marketing efforts in real time to determine what is working and what is not. Digital marketing has also been referred to as internet marketing, e-marketing, and online marketing over the years.

1.4 Advantages of Digital Marketing

One of the primary benefits of digital marketing as a marketing technique is that it has made tourist organizations of all sizes considerably more competitive for the attention of consumers. To put it another way, it has leveled the playing field. For small tourist firms, digital marketing has the advantages of reduced costs and more efficiency than traditional marketing techniques, as well as chances to improve consumer experience and customer connections. The internet enables businesses to reach a global audience. Digital marketing is a two-way conversation. As a

consequence of its usage of media material, it has a greater effect than traditional communication channels. Text, voice, photos, graphics, and video clips may all be utilized to send a message. The information conveyed by digital marketing may be modified and updated quite readily. Travelers may also leave online reviews of places and tourism attractions as they visit them. Another benefit of digital marketing is the ability to supply consumers with quick and instant reactions. Consumers may purchase a trip, a hotel stay, or download a holiday brochure or newsletter online with a few touches on a touchpad, keyboard, or screen. Furthermore, digital marketing and social media enable businesses to operate 24 hours a day, seven days a week, 365 days a year.

1.5   The 5Ds of Digital Marketing

The 5Ds of digital marketing describe the options for consumers to connect with companies as well as for tourist and hospitality firms to reach consumers:

1. Digital devices - people interact with companies through a combination of linked devices such as smartphones, tablets, desktop computers, TVs, and gaming devices as they interact with corporate websites and mobile applications.

2. Digital platforms - the majority of interactions on these devices occur via browsers or applications from the main platforms or services, which include Facebook, Instagram, Google, YouTube, Twitter, SnapChat, TikTok/Douyin, and LinkedIn.

3. Digital media — paid, owned, and earned media channels for reaching and engaging customers, such as advertising, e-mail and message, search engines, and social networking sites (refer to section 1.4).

4. Digital data — the information that companies acquire about their user profiles and transactions with businesses, which is now legally protected in most countries.

5. Digital technology — marketing technology used by firms to generate interactive experiences ranging from websites and mobile applications to in-store kiosks and e-mail campaigns.

The internet (also known as the Information Superhighway or the Net) is a massive worldwide network of millions of computers connected via broadband backbone networks, telephone lines, and satellite links.

Self-Assessment Exercises 2

> 7. How many are the digital marketing domains?
>
> 8. What are the three forms of media in digital marketing?

1.6   Digital Marketing Domains

As demonstrated in, there are four digital marketing domains. Figure 15. The four digital marketing domains are detailed below, and they are categorised according to the type of buyer and seller in the transaction.

	Targeting consumers	Targeting businesses
Initiated by business	B2C (Business to consumer)	B2B (Business to business)
Initiated by consumer	C2C (Consumer to consumer)	C2B (Consumer to business)

Figure 15: The four digital marketing domains

1.6.1 Business to Consumer

Business to consumer (B2C) e-commerce entails selling items and services to end users online. Nowadays, you can buy almost everything online, including automobiles, flowers, Viagra, education, houses, books, food, music, and airline e-tickets. These widely publicized e-businesses are mostly internet retail outlets. Examples include airplane tickets and vacation packages from internet travel agencies.

1.6.2 Business to Business

From one company to another (B2B) E-commerce refers to internet transactions between businesses (sometimes known as "group buying"), such as between a tour operator and a travel agency or between a professional conference organizer (PCO) and a conference center. It can also include business-related services such as printing, outsourced marketing, office equipment hiring and selling, and soon. E-commerce, like B2C, benefits from cheaper inventory management costs as well as a more streamlined sourcing and delivery process, making it an effective and appealing model for enterprises selling to other businesses.

1.6.3 Customer to Customer

One of the fastest-growing digital marketing categories is consumer to consumer (C2C). The internet is an appropriate platform for customers to exchange or purchase items or information with or from one another. Classified advertising sites are one example. C2C comprises online forums and social networking sites, which allow customers to share their thoughts with other consumers, which influences their purchase decisions. Blogs (web journals) are another C2C platform for consumers to share information.

1.6.4   Consumer to Business

Consumer to business (C2B) is the fourth internet marketing area, in which consumers engage with businesses by putting in recommendations and inquiries via business websites. Consumers may also search for merchants on the internet, get information, make purchases, and provide feedback. In this manner, customers start transactions with corporations rather of the other way around (B2C).
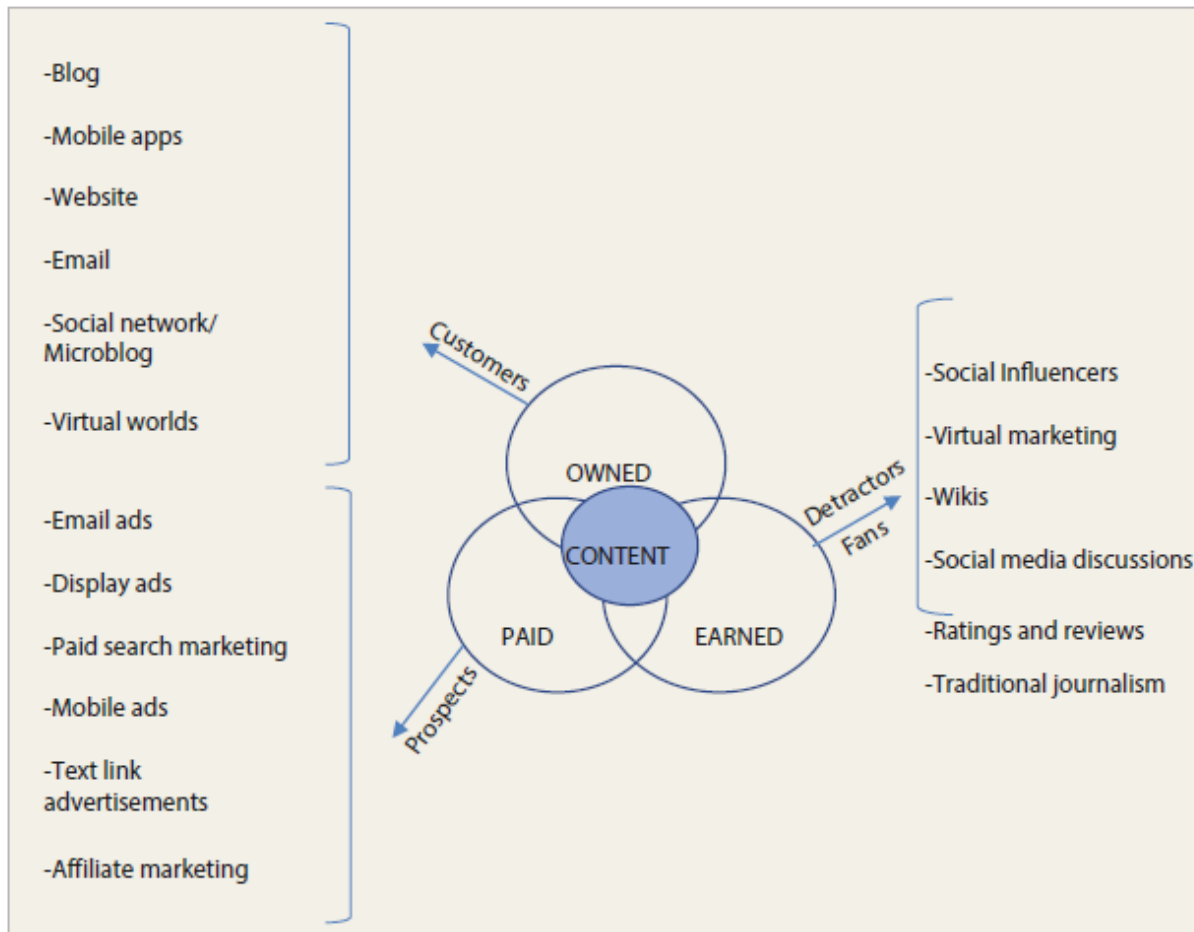
Fig. 12.2 Various forms of digital content in digital marketing

1.7 Digital Media: Content Marketing, and Owned, Paid, and Earned Media

The most popular method for marketers to think about digital marketing is in terms of the three forms of media accessible to them: owned, paid, and earned. Each of these three media alternatives functions as a form of online communication channel via which advertisers may contact their intended consumers. A successful internet marketing plan must incorporate all three categories. The rest of this chapter's digital marketing part is based on this figure and is organized into these three categories of media, with content marketing running as a thread through all of them. The process of developing and distributing relevant and quality material in

order to attract, acquire, and engage a clearly defined target audience with the goal of driving lucrative customer action is known as content marketing. It is a technique that entails creating and publishing content on websites and social media. Tourism and hospitality marketers have traditionally developed material offline in the form of paper flyers, bulletins, brochures, catalogues, posters, and so on. In the pre-digital era, this literature was provided by direct mail. Many mail order consumers were interested in reading this content, which included ideas, product information, and reviews. Before Google, people relied on information to make purchasing decisions. Millions of these transactions were based on brand content read by customers through direct mail marketing material. What's new is that tourist marketers are increasingly using digital content as inbound marketing to attract consumers and prospects. Content is at the heart and soul of any digital marketing strategy; it serves as the basis for a company's search, social, email, and paid traffic initiatives. Without content on a corporate or personal website, Google has nothing to discover, Facebook friends have nothing to post, newsletters have no news, and bought traffic efforts become one-dimensional sales pitches.

1.7.1   Content Marketing

The majority of internet material has a specific purpose: to persuade people to buy something, join up for something, or learn more about a product. Even seemingly innocuous headlines like "The 10 finest visitor attractions in Bulgaria" have been carefully constructed to elicit a certain response. For greater reach and rating, the content should be unique and not plagiarized. The majority of the information that consumers read and interact with on a daily basis is part of the content marketing funnel, which depicts the path that potential customers take while considering a purchase. Tourism and hospitality marketers must think about how they might attract

consumers who are unfamiliar with their brand. They must also examine how they will target consumers who are already familiar with their brand, as well as customers who have previously purchased the brand and intend to return.

All of these categories must be pushed through the content marketing funnel and encouraged to make a purchase (for example, buying a flight ticket or booking a hotel room). Marketing strategies that contact audience members at each level or step of the funnel will assist them in moving soft travel leads (those who have expressed interest in a brand, product, or service and might be converted into customers) from the awareness stage to the conversion stage. Conversion refers to a user completing an activity that a website wants that user to complete. A conversion usually results in money for the brand in some form, such as signing up for a newsletter or purchasing an item. The content at each level of the funnel helps the consumer journey, and effective content moves tourism marketers' leads closer to making a trip purchase. A prospective client must go through three steps before becoming a paying customer: awareness, assessment, and conversion.
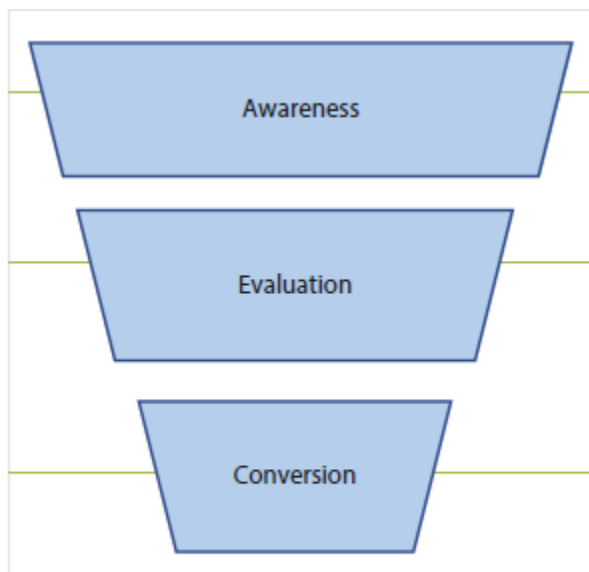
◼ **Fig. 12.3** Content marketing funnel. (Source: Deiss & Henneberry 2017, p. 65)

1.7.1.1 Awareness

When potential consumers (prospects) enter the content marketing funnel for the first time, it is presumed that they are unfamiliar of the tourist product offering and the requirements, wants, and desires that the offering may fulfill. The tourist marketer must make these potential buyers aware of the product offering at this level. The content produced at this level of the funnel should be of high quality and may take the form of entertainment, education, or inspiration. The following are some examples of content kinds to consider:

1. Blog posts: Arguably the most well-known type of internet material, blogging platforms (such as WordPress) are a wonderful approach to raise awareness.

2. Social media updates: Similar to blogs, social media platforms such as Facebook, Twitter, LinkedIn, TikTok, Snapchat, and Instagram are efficient channels for tourist promotion and demand generation.

3. Infographics: Infographics are a fun and engaging method to convey material and usually include entertaining imagery with contrasting, eye-catching colors. The way infographics split up text makes this type of material easy to read for the viewer.

4. Photographs: Photographs are effective because they may convey a lot of information in a single image. With the growing popularity of sites like Instagram, Facebook, Snapchat, Flickr, and Pinterest, more digital marketers are focusing on creating photographic content.

5. Video: Video material is becoming more significant in digital marketing. YouTube,TikTok, Vimeo, Twitch, are examples of video-sharing social media sites and apps.

6. Digital magazines and books: Digital magazines and books are popular,   ways to distribute content andraise brand awareness.

7. Audio and video podcasts: A podcast, which is available on sites such as Spotify, SoundCloud, and GooglePlay, is another type of material that may be employed at the top of the funnel. Users often subscribe to an internet channel to receive digestible material "on the go."

8. **Features, guides, and interviews:** Interviews with important personnel of a tourist firm, for example, might work effectively to showcase business strengths and illustrate the story behind the brand.

1.7.1.2 Evaluation

Prospects who have progressed past the awareness stage must now examine the numerous options open to them, including competing product offerings. Now that these prospective consumers are aware of the tourist product and want to learn more, the aim at the middle of the funnel should be to convert those prospects into leads with whom the organization may follow up. At this stage of the funnel, tourism organizations, for example, could consider expanding their email lists and generating additional leads. In return for valuable material, free content is frequently used to incentivize prospects to submit their contact information (such as their e-mail address) and opt in to receive future marketing communications. This form of material is known as a "restricted offer" or a "lead magnet." The following are some examples of content that can be utilized as an agated offer:

- Educational materials (case studies, newsletters,and so on)
- Useful resources (for example, handouts, resource lists, templates, and checklists) (for instance, travel applications)
- Blogs
- Coupon or discount offers

- Quizzes or surveys

- Webinars

It is critical to supply the audience with information or other marketing methods that allow them to "walk away with something." Tourism companies frequently establish a special landing page for each gated offer and employ social media, e-mail marketing, search engine optimization (SEO), and search engine marketing (SEM).

1.7.1.3 Conversion

Prospective clients who have progressed through the evaluation stage have arrived at the "moment of truth," or trip buying decision. At this stage, the aim is to turn leads into buyers. Once tourism organizations obtain prospects' e-mail addresses, they must examine the sorts of information that will lead to these new leads making an informed travel purchase choice. Conversion material responds to the following questions for the potential customer: "Why should I purchase?" "Why should I buy now?" and "What's in it for me?" At this point, the information should instill in the potential buyer a sense of urgency to purchase. The information should also include a call-to-action, such as an invitation to "Book flights today," which commonly appears as a clickable link or a brightly colored button.

1.7.2   Owned Media

The organizations that generate the majority of multimedia material (referred to as "owned media") have complete or partial control over digital media platforms. For example, a company's website and e-mail are completely in its control; nevertheless, its Facebook page and many other

media outlets that it utilizes are run on "borrowed space." This implies that certain company-owned media are operationalized on the site of another individual or organization, thus there are numerous norms and standards that the firm must follow.

- Engage customers with favorable brand content

- Persuade them to share this material with others (earned media)

1.7.2.1 Company Websites

A tourist company's website is its place of business in digital marketing. A corporation may run a variety of marketing strategies, but everything eventually returns to a single point: the company's website. As a result, a website is quite valuable. As a result, the first step in launching a digital marketing strategy is to build a website. A website's primary goal is to engage consumers (bring them closer to a direct purchase) and establish consumer-branded loyalty. A website should primarily be seen as a conversion engine for traffic generated by all other digital marketing strategies. A genuine online purchase (for example, a hotel booking transaction), an online question (lead generation), or a subscription to an onlinenewsletter are all examples of conversion (opt in for future marketing). Conversion is the key to digital marketing success; a company's website and the user experience it provides eventually drive that conversion.

1.7.2.2 Search Engine Optimization (SEO)

SEO (search engine optimization) is the process of developing website content in order to boost a company's position on internet search engines for popular travel search phrases. Some of the most prominent search engines are Google (which accounts for nearly 80% of all searches globally), Bing, Yahoo!, Baidu, 7 Ask.com, and Yandex. Google's travel products (Google

Flights and Google Hotel Finder) have been prominent search engines used by customers in online trip planning in recent years. SEO is a topic that deserves its own chapter, if not a whole book. As a result, we will just cover a few principles in this part. Search engines are composed of three major components.

1. The spider, or crawler (sometimes known as a "webcrawler"), is the component that visits websites in order to read them and follow links.

2. The information discovered by the spider is contained in the index or catalogue.

3. Each search engine employs specialized software to scan through the index and rank the websites in its rankings.

1.7.2.3 Social Media

Social media marketing (SMM) is a type of digital marketing that makes use of social networking platforms to promote brand or product visibility and nurture consumer connections. Social media are forms of media (text, images, and audio files) that may be shared online. Social media websites, blogs, chat rooms, moblogs or mobile bloggings (sites containing photos, videos, digital audio, or photographs), and consumer product or service rating forums and websites are examples of online platforms. Social media, in its most basic form, are online platforms that enable users to cooperate and exchange information, material, and ideas with one another. Social media (also known as "social networking") has altered the face of marketing by facilitating cooperation and interaction in ways that no other medium has. Social networks can be generic (for example, Facebook) or specific (for example, Twitter) (for example, LinkedIn). Mobile social networking - the use of mobile phones for social networking – is becoming increasingly popular. The most popular social networking networks have millions of users

worldwide. Tourism and hospitality businesses are increasingly having their own social media pages (such as 'InstagramBusiness Account,' 'Facebook Business Page,' and 'Company Page' on LinkedIn); users accessing the page can click on the "Like" icon, post photos and videos, leave comments, and interact with other users of the company in question.

1.7.2.4 Database Marketing

Database marketing is a collection of data, such as customers' names, addresses, and purchases, that gives marketers with information that allows them to make better judgments in working toward the company's goals. Many tourism businesses mix up a customer mailing list with a customer database. A client mailing list is nothing more than a collection of names, addresses, and phone numbers. A customer database contains much more information, which has been obtained through customer transactions, phone and internet enquiries, registration information, cookies, and every contact with consumers. A customer database should ideally contain information such as buying behavior (for example, the value of previous purchases and customer preferences), demographics (for example, age, income, family members, and birthday dates), psychographics (activities, interests, and opinions), media graphics (preferred media), and other useful information.

A robust database is required for successful direct marketing and e-mail campaigns. To properly employ database marketing, businesses must electronically store consumer inquiries and sales information with each transactional record. This information should be maintained current, preferably in real time. The information systems (IS) team of a corporation is frequently in charge of database administration, while the marketing team is in charge of driving the campaign itself (in other words, developing the offering and computing numbers). The building of a

marketer's database is critical to the efficacy of direct marketing. A database is a collection of information on previous or current customers.

1.7.2.5 E-mail Marketing

E-mail marketing is a very adaptable digital marketing technique. It comprises "opt-in" or "opt-out" mailing lists, e-mail (for example, a newsletter e-mailed to an existing client by a travel agency), and discussion list subscriptions. Prospective customers can also be emailed in bulk. This strategy entails conveying the same message to large groups of individuals (up to as many as 1000people at a time). The customer does not always visit a company's website or search for a business on Google. However, e-mail marketing is the medium via which you may reach out to subscribers who want to hear from you. Sending unsolicited and untargeted e-mails to a list of persons is illegal in most countries. (Unsolicited e-mails are known as spam.) The intended recipient must grant permission. Some internet service providers refuse to offer services to known spammers. Any email sent to a list of subscribers must have an easy-to-use "unsubscribe" link. Tourism and hospitality businesses should try to build a database of interested people to whom they can send marketing emails by, for example: • including users who request information from the organization; • people who have already used the service; • newsletter sign-ups; • running an online survey; and • giving away a gift such as a free guidebook and asking users to fill out a form with their information.

1.7.2.6 SMS Marketing

Texting or short messaging services (SMSs) are electronic messages exchanged over a wireless network. Mobile phones are a popular mass-market media. The mobile phone market (SMS and

MMS) represents a massive marketing potential, particularly in developing nations; texting, or SMSing, is an excellent medium for reaching out to the younger market. Messages can be delivered to prospective consumers' mobile phones after they have provided permission for a company to connect with them via their phone numbers. These messages might be promotional or sales-oriented, such as special discounts or information about future events. Prospects must open a text (SMS) message on most mobile phones in order to erase it. Mobile phones are typically kept on the person at all times, which means that messages are likely to be viewed immediately after they are broadcast. Mobile technology, like the internet, is about connectivity and engagement. However, in general, mobile phone users have been hesitant to provide out their phone numbers for marketing communications, maybe anticipating the same onslaught of spam that e-mail has. Consumer consent is essential to receive an SMS from a specific company, just as it is with e-mail marketing. This is referred to as "permissionmarketing." A text message sent to someone who has not requested this communication is considered spam and is unlawful. The next generation of mobile messaging is multi-media messaging service (MMS). It enables the incorporation of graphics, sound bites, and even short video clips into a message. It is suggested that it is more suited for digital marketing than texting. However, texting is still used more than sending MMSs since it is less expensive and not all mobile phones enable MMS capability.

1.7.2.7 Augmented Reality and Virtual Reality

Augmented Reality (AR) is described as "an improved version of reality made through the use of technology to overlay digital information to a picture of something." (Figure16). AR technology stacks computer-generated layers of visuals, sound, and video on top of real-life items to allow

users to interact with that environment. The user may immerse themselves in a simulated environment while remaining physically present in the real world. Instead of replacing things, AR adds real-time alterations that may be experienced via an app and a mobile device.
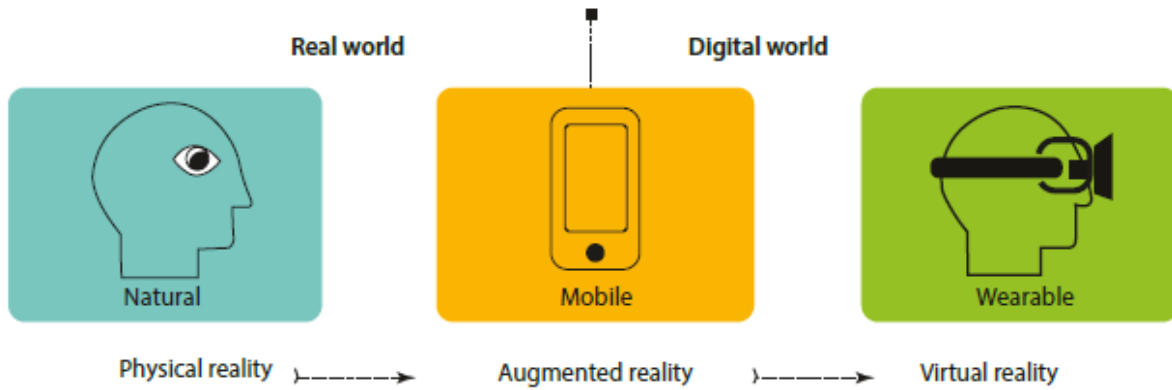
Figure 16: The difference between physical reality, augmented reality, and virtual reality.

(Source: Rastogi 2018)

1.7.2.8 Gaming and Gamification

Gaming and gamification are two technology breakthroughs that are becoming increasingly popular in tourism. Two types of games dominate the travel and tourism industry: online/offline games and location-based mobile games. The tourism industry may utilize games to increase tourists' engagement with a destination and to enrich their on-site interactions with the location in a fun and instructive manner.

1.7.2.9 Mobile Travel Apps

A mobile app (short for "mobile application") is software that runs on smartphones, tablet computers, and other mobile devices. Some travel applications are free, while others need payment. They are often sent from the platform to a target device, such as a smartphone.

1.7.2.10 Quick Response Codes

A rapid response (QR) code is a machine-readable code, similar to a barcode, that may be used to store information (for example, URLs) and can be read by an app using a smartphone's camera. Travellers having a mobile tag reader application, for example, may scan a QR code appearing in a print or outdoor advertisement by photographing it or scanning it with their phones. This quickly redirects the viewer to a Web or social media site where they may get additional information about the offering, competitions, or other information supplied by the offering online. QR codes are mostly used in tourism to inform consumers and to take payments.

i.   Informing Guests or Visitors

A website is an ideal venue for sharing the volume and variety of content that would not be available on signs boards or in printed materials. A big resort, for example, may place QR codes across the property that link to a resort map on its website, assisting tourists in finding their way around activities and eating places. Similarly, a museum may educate visitors by embedding QR codes in artifacts or exhibits, linking them to more audio or video content, or encouraging them to share an intriguing morsel of information on their social media profiles. QR codes are simple to use into self-guided walking tours. A QR code, for example, might be placed at the route's entry or commencement. When visitors scan the code with their cellphones, relevant information to aid them on their stroll is presented on their devices. QR codes might also be put at strategic spots along the route when travelers may need more information about a certain destination.

ii.   Receiving Payments

Guests may pay their hotel or restaurant bill, or get entry to any attraction at a destination, by scanning a QR code connected to a mobile payment application using their cellphones. Apple Pay, Paypal, mVisa, and Snapscan are the most popular mobile payment apps that use QR codes.

1.7.2.11 Location-Based Marketing

LBS is described as "services associated with the customer's location or any application or service that receives a customer's location and offers that customer with information or services suited to that location."

1.7.3 Paid Media

Paid media is the second of three content marketing tools used to connect with consumers and prospects. Paid media, as the term implies, consists of adverts that promote content and assist it achieve reach or visibility. Paid media may engage target markets, leading to owned media (for example, a tourism company's website) and social media engagement (earned media). Display commercials, online classified advertisements, text link advertisements, e-mail advertisements, social media advertisements, affiliate marketing, mobile advertisements, and pay-per-click or search engine marketing utilizing platforms such as GoogleAds are all examples of paid media (formerly Google AdWords).

1.7.3.1 Display Advertisements

Online display adverts are embedded in web pages, allowing viewers to navigate to the advertiser's website, and can contain text, pictures, video, and animation. In digital marketing, there are several ways to show adverts. Banner adverts, interstitial banners, pop-ups and pop-

unders, floating advertisements, video commercials, native content, and sponsored content are the most frequent alternatives.

1.7.3.2 Banner Advertisements

A banner advertisement is a visual picture or animation that is shown on a website for the purpose of advertising. Interactive technologies that allow the viewer to engage and transact with the banner are commonly used in banner ads. Some banners, for example, expand as the user moves his or her mouse over them or clicks on them, while others may even record data within the banner.

1.7.3.3 Interstitial Banners

Interstitial banners are advertisements that appear between pages on a website or, more commonly, between screens on a mobile app. When a user navigates from one website to another, the advertising appears before the following page is shown.

1.7.3.4 Pop-Ups and Pop-Unders

As the name implies, they are advertising that appear on or beneath the webpage being browsed. They are shown in a new, smaller window. Browsers see pop-ups quickly, but they are unlikely to notice pop-unders until they have closed their browser window. Pop-ups and pop-unders were popular in the early days of internet advertising, but due to audience displeasure, most web browsers now contain built-in pop-upblockers. This can be troublesome because websites legally utilize pop-ups to deliver information to users.

1.7.3.5 Floating Advertisements

This form of advertisement shows on top of the content rather than in a separate window. A visible close button should be put on the advertising, often in the upper right-hand corner. Floating advertising are made with DHTML or Flash and float for a few seconds above a website's content. Rather of advertising things, the animation frequently concludes by dissolving into a banner floating advertisement to attract newsletter sign-ups or social media "likes."

1.7.3.6 Video Advertisements

This is a video commercial in one of the formats mentioned above. When a visitor visits a website or moves his or her mouse over an advertising, it begins to play.

1.7.3.7 Native Content

The internet equivalent of advertorials is native content advertising. This is where the advertiser creates content that is consistent with the website's editorial style, but it is sponsored or the product is in some manner promoted by the brand. Video is becoming an increasingly popular technique of native advertising. Essentially, it is sponsored advertising that strives to not interfere with the user experience. The user is presented with helpful, interesting material in its original form, which is far more engaging than a banner advertisement. Native content might resemble paid search adverts on search engines, sponsored material on LinkedIn or Facebook, or promoted listings on social media sites such as Twitter. However, it appears to be content rather than advertisements.

1.7.3.8 Sponsored Content

Many web articles contain sponsored content advertising at the bottom. This is where the "recommended articles" posts appear, and it is usually sponsored marketing. Advertisers pay to have their content promoted on specific websites or publications.

i.   E-mail Advertising

E-mail advertising, in which sponsored material is embedded in another company's email, is one of the least expensive methods of web advertising. Advertisers buy space in an e-mail newsletter sponsored by someone else. 7 eMarketer.com, for example.

ii.   Text Link Advertisements

These ads take the shape of a hyperlink put in particular text in a blog post or other owned media material (including content downloaded by mobile phone users).

iii.   Online Classified Advertisements

Individual customers as well as corporations publish online classified adverts. They typically consist of text but may also include photos. The advertising are classified (for example, automobiles, sports, travel, and so on.) and tend to be in a low-cost format. Online classified ads can be found on specific websites (for example, 7 www.gumtree.co.za), as well as online newspapers, exchanges, and web portals.

iv.   *Affiliate Marketing*

Affiliate marketing is the internet equivalent of compensating referrers for the company or leads they produce as a consequence of their efforts. Referrers are compensated with a "finder's fee" for each recommendation they provide. Affiliate marketing differs from other forms of internet marketing or advertising in that affiliates are only compensated when they recommend business to the organization. For an affiliate program to be effective, the associated organization (the organization publishing the sites containing the links) must be proactive and aggressive in promoting the product. Affiliate marketing may be used to supplement other initiatives, both online and offline. Online affiliate marketing is commonly utilized to promote websites, with referrers getting compensated for each visitor, subscriber, or client brought in through their efforts. As a result, it is a great instrument for branding and acquisition. Targeted traffic from specialty websites is possible with affiliate marketing.

v.   *Mobile Advertising*

Mobile advertising is a type of sponsored advertising that displays on wireless devices such as mobile phones and tablets (butnot on laptops). This sort of mobile advertising can take the form of text adverts sent by SMS or banner advertisements integrated on a company's website, downloaded apps, or mobile games.

vi.   *Search Engine Marketing*

Paid search marketing, often known as "pay-per-click" (PPC) advertising or search engine marketing (SEM), is paid advertising that displays alongside, above, and occasionally below organic listings on search engine results pages (SERPS) or on a partner site. These are typically labeled "Sponsored link," "Sponsored result," or "Ad" to inform consumers that they are, in fact, paid-for adverts and not part of the search engine's organic (natural or unpaid-for) ranking. Website owners often pay each time their advertisement is clicked on, hence the term "pay-per-click." Although PPC is the most frequent type of sponsored search marketing, adverts can also be purchased on a "cost-per-thousand" (CPT) basis. Google Ads is the largest participant in the PPC field, as well as the main search engine. SEM is mostly used to promote a website and acquire a high rating on search engine sites. It is comparable to paid advertisements, however PPC is a component of Google Ads. Depending on the platform, social media advertising can be identified by labels such as "Suggested post," "Promoted," "Sponsored," and so on. Because the advertising forms available are always expanding, tourist marketers must stay up with what is available to them. It also implies that there are a rising number of options to reach out to travelers on a platform and in a manner that fits them. Social media advertising should be viewed as a component of a larger social media strategy.

While companies can create a Facebook page and produce compelling messages, such posts will only be viewed by a subset of the potential audience (those who have "liked" the business's Facebook page, for example). Paying to promote postings is required to guarantee that a tourist business reaches a considerably bigger proportion of its target audience. Social media advertising is a type of internet advertising that occurs on social networking sites. Many platforms have extremely extensive targeting capabilities that match consumers that marketers have recognized as belonging to certain purchasing groups, making it an excellent approach to reach the exact

correct set of people with customized adverts. While more traditional kinds of advertising may be ineffective, the targeting capabilities of social networking platforms set it apart from other forms of internet advertising, such as display adverts. In addition, social media advertising has greater click-through and engagement rates at a cheaper cost.

1.8   Summary

- Digital marketing is the sale of items or services using digital electronic devices or channels such as the internet, social media, e-mail, digital television, search engines, and wireless media.

- The 5Ds of digital marketing define the possibilities for customers to engage with businesses as well as the alternatives for tourism and hospitality corporations to reach consumers.

- There are four different types of digital marketing domains.

1.9   References/Further Readings

Chaffey, D., & Ellis-Chadwick, F. (2019). *Digital Marketing* (7th ed.). Harlow, Essex: Pearson (ISBN:978-1292241579).

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1.10   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. The selling of products or services using digital electronic devices or channels such as the internet, social media, e-mail, digital television, search engines, and wireless media is known as digital marketing.

2. Digital devices, digital platforms, digital media, digital data, digital technology

Answers to SAEs 2

1. Four

2. Owned, paid, and earned

UNIT 2 PLATFORMS OF DIGITAL MARKETING IN TOURISM AND HOSPITALITY

Unit Structure

2.1   Introduction

The tourism and hospitality market has seen a shift of power from service providers to customers who may attract and influence others through their shared experiences on digital platforms.

2.2   Learning Outcomes

After reading this unit, you should be able to:

- Describe the different platforms of digital marketing in tourism and hospitality

- Who are social media influencers?

- Define the terms "viral marketing" and "social media influencers", and "social media discussion platforms"

- Evaluation of digital and social media

- What is online reputation management?

- Issues in digital marketing

Self-Assessment Exercises 1

> 1. State the most prominent social networking platform
>
> 2. What is influencer marketing?

2.3   Platforms

One of the most important concepts to remember when selecting a social media platform to promote on is that tourism marketers must go where their audience is. We will take a look at three of the most prominent social networking platforms: Facebook, Twitter, Snapchat, and Instagram

2.3.1   Facebook

Facebook provides a variety of paid advertising alternatives according on the action the marketer wishes the audience to do (the purpose of theadvertisement). The primary objectives are often awareness, consideration, or conversions, which Facebook has further subdivided into more precise objectives on which tourist marketers may base their ad development. Once the tourist marketer has decided on an aim, Facebook provides a variety of marketing styles to help the marketer achieve his or her goal.

Format 1: Single image. A single picture advertisement is one of the simplest adverts accessible since it is quick to put up and does not require much time to create.

Format 2: Single video. If the goal of marketing is to drive traffic to a website, a video advertising is one technique to capture the attention of potential site visitors.

Format 3: Carousel. Marketers can upload two to 10 photos for the advertising to cycle through.

Format 4: Slideshow (video-like advertisements). Slideshow commercials are a cross between video and picture ads. If the goal is "conversions," but the tourist marketer has a restricted budget, a slideshow is a viable solution.

Format 5: Collection. Marketers can utilize a mix of photos with this format. Once the tourist marketer has decided on an aim and sort of marketing, he or she should investigate Facebook's targeting capabilities, which also collect user data from Instagram and WhatsApp. Facebook provides advertisers with three audience options:

1. Core audiences, in which an audience is hand-picked based on demographics such as age and region, as well as interests and behaviors.

2. Custom audiences, which include uploading a contact list in order to communicate with clients on Facebook.

3. Lookalike audiences, in which customer information is utilized to discover others on Facebook who are similar to them.

Instagram is a smartphone app with a large mobile audience, making it a viable alternative for some tourist firms. It enables users to capture, edit, and share photos and videos. Because Facebook owns Instagram, it provides nearly comparable primary objectives to Facebook, namely awareness, contemplation, or conversions.

2.3.2 *Twitter*

Twitter provides a self-service advertising platform with a variety of options and enables for some degree of specialized targeting. The platform, like Facebook and Instagram, changes regularly, and not all choices may be available to all locations or user accounts. Twitter, like Facebook, prioritizes the mobile marketplace, and ad styles correspond to the behaviors businesses want users to do. Twitter's targeting choices are nearly as extensive as Facebook's. Location (country, province, region, metro area, or postal code), gender, language, device, platform, carrier, keywords, followers, interests, tailored audiences (a list of e-mails or Twitter IDs can be uploaded, or businesses can put a code snip on their website to collect visitors, purchasers, or downloaders, and then target them), TV targeting (targeting users who engage with television programmes in a specific market or region) (users interested in global or regional events).

2.4   Social Media Influencers

Influencer marketing is a sort of social media marketing that involves product placement and endorsements from influencers, people, and organizations with a reputed expert degree of

expertise or social influence in **their** industry. The tourism business is strongly reliant on the internet since people utilize it to find out about the finest spots to visit when they travel. Social media influencers may help a tourist and hospitality company's marketing efforts. Influencers are individuals who have the ability to affect the thoughts and behaviors of a group of people, resulting in demonstrable results for a tourist brand. Influencers may include well-known writers, celebrities, personalities, speakers, bloggers, analysts, journalists, and others, depending on the industry. They are those who voice their ideas and are respected and listened to by customers. In the tourist sector, as in other industries, social media is used for marketing, driving interaction, brand visibility, and eventually increasing sales. Companies and influencers may have a similar target market at times. Tourism firms can reach out to such influencers in this situation. Relevant social media influencers, such as travel bloggers, share their journey stories through marketing platforms.

Self-Assessment Exercises 2

1. What is viral marketing?

2. What is the full meaning of the acronyms "KPIs"?

2.5   Viral Marketing

Viral marketing is the mutual sharing and dissemination of marketing-relevant information, which is originally supplied intentionally by marketers in order to promote and capitalize on WoM behaviors. A person passing an e-mail message, the address of a website, or other information about a special deal for a vacation or airline to his or her friends is an example of

viral marketing. Viral marketing, which is unpaid communication, was named because its resemblance to a virus in that users pass on the word to one another and growth is exponential. Short video clips or jokes (sometimes known as "memes") that are transmitted across the world are examples of effective viral content. Marketers employ viral marketing to get consumers to utilize their products and services. The purpose of viral marketing is to increase the message's exposure and influence in order to generate the possibility for exponential development. Viral marketing is effective as long as the recipient's acquaintances are in the company's target market.

2.6   Travel and Content Communities

The first virtual communities appeared in the mid-1990s. Consumers utilize online travel communities to discover travel information and recommendations, conduct travel transactions, establish relationships with individuals from other countries, and locate trip companions. Users develop content on online (virtual) communities on their own. They provide feedback, comments, and ratings on a location, hotel, attraction, or any other tourism-related product or service. Users may also upload multi-media components (pictures and/or videos) and trip maps, as well as participate in discussion boards.

2.7   Online User Reviews and Ratings

User product reviews on the internet are becoming increasingly essential in customer decision making. Consumer reviews serve two functions:

- They give product and service information
- They function as recommendations.

According to research, internet evaluations (and ratings) have a major impact on the sales of a variety of things, including books, movies, restaurants, hair salons, and vacations. Most tourists check for reviews in the early and middle phases of their vacation planning process to limit down their options.

2.8   Social Media Discussion Platforms

Tourism organizations and DMOs are recognizing the marketing potential of image-sharing apps like Flickr and Instagram, which allow users to post vacation photos across many social media platforms.

After a user posts an image, other users can remark on both the image and the location, resulting in a comment–review–query snowball effect.

A considerable proportion of consumers utilize social networks as their first port of call while looking for holiday spots.

2.9   Evaluating Digital and Social Media

Website analytics (or Web analytics) is the tracking, measurement, collecting, analysis, and reporting of data in order to understand and optimize a website's performance. Web analytics give a tourist marketer a wealth of information about how a website is functioning. . A variety of data is collected, including the websites that referred visitors, including search engines, the pages that users viewed on the website, and the entrance and exit pages for website visits and activity involvement on the site. This data is gathered by analyzing the server logs of the website or by tagging pages. Web analytics aid in determining which portions of a website are working well and which require improvement. Successful analytics rely on defining a website's goals in order

to optimize Web usage in accordance with corporate objectives. Key performance indicators (KPIs) are then measured and analyzed. The following KPIs are used in digital marketing measurement:

- A tally (in other words, the number of visitors to the website)

- A ratio (the proportion of website visitors who made bookings to all website visitors)

- The conversion rate (the number of visitors to the website who made a booking)

- The rate of bounce (the percentage of visitors who left the website after looking at only one page)

- Tweets

- Posts

- Comments (CTR)

- Stocks (for example, on Facebook)

- Visits to the page

- Viewable impressions

- Time spent

2.10   Online Reputation Management

The reputation of a corporation is visible to anyone on the internet. Online reputation management (ORM) is a platform that allows a company to monitor and control what is written about it online, as well as reply to let its consumers know that they are being heard. This is often referred to as "tracking internet talk" or "social listening." The process of discovering and assessing what is being said about a brand, organization, individual, or product offering on social media platforms is known as social media listening (measuring or monitoring) (including blogs,

logs,wikis, news sites, micro blogs such as Twitter, social networking sites, video or photo sharing websites, forums, message boards, and user generated content).

2.11   Digital Marketing Issues

Tourism marketers must also comprehend and respond to the following issues related to the internet as a marketing tool:

- High broadband connection fees and/or sluggish speeds, which discourage high-speed adoption, particularly in developing nations and rural regions

- Secondary online boundaries (these restrictions restrict the use of senses such as taste and touch, which impact consumer decisions)

- Concerns about security (some online consumers are reluctant to provide personal details such as credit card information that are required when performing online transactions)

- Consumers' concerns about privacy issues, such as spam and chat rooms

- Potential obsolescence of information displayed on a tourism company's website • Lack of trust in unknown virtual traders (because there are fraudulent companies on the Web, consumers may be concerned that a company does not actually exist, or that the company and its offerings do not live up to their expectations or the images displayed on the company's website).

2.12 Summary

- When choosing a social media platform to promote on, one of the most crucial principles to remember is that tourism marketers must go where their audience is.

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- Individuals with the power to influence the ideas and actions of a group of people, resulting in verifiable benefits for a tourism brand, are known as social media influencers.

- Viral marketing is the purposeful sharing and spread of marketing-relevant information by marketers in order to promote and capitalize on WoM behaviors.

- Website analytics (or Web analytics) is the process of tracking, measuring, collecting, analyzing, and reporting data in order to better understand and enhance the operation of a website.

- ORM is a platform that lets a firm to monitor and control what is posted about it online.

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2.14 Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Facebook, Twitter, Snapchat, and Instagram

2. Influencer marketing is a sort of social media marketing that involves product placement and endorsements from influencers, people, and organizations with a reputed expert degree of expertise or social influence in their industry.

Answers to SAEs 2

1. Viral marketing is the mutual sharing and dissemination of marketing-relevant information, which is originally supplied intentionally by marketers in order to promote and capitalize on WoM behaviors.

2. KPIs = Key performance indicators

UNIT 3　　IMPACT OF CULTURE ON PRODUCTION AND DELIVERY OF HOSPITALITY PRODUCTS/ SERVICES

Unit Structure

3.1 Introduction

3.2 Learning Outcomes

3.3 Cross- cultural comparison vs. influence of cultural values

3.4 Meeting customer expectations in multicultural environments

3.5 Culture and value co- creation in hospitality service

3.6 Culture of employees and service delivery

3.7 Delivering services in the multicultural marketplace

3.8 Summary

3.9 References/Further Readings

3.10   Possible Answers to Self-Assessment Exercise(s) within the content

3.1   Introduction

The importance of cultural effect on hospitality service management was recognized by academics as early as the 1980s, during the wave of economic globalization. The cultural origins of both clients and service professionals have a profound effect on their service consumption experience. Although numerous definitions of culture exist, it is commonly defined as the shared values, beliefs, customs, and behavioral patterns or communal programming of the mind that distinguishes one group from another. Culture may be divided into several levels of society. This chapter focuses on the national level of culture, which has received the greatest attention in the field of hospitality marketing. Hofstede's framework of cultural dimensions is one of the most often utilized cultural analysis frameworks in hospitality marketing. Individualism vs collectiveness, power distance, avoidance of uncertainty, masculinity versus femininity, and long-term orientation are the five aspects of national culture. The first three have received the greatest attention. The degree to which individuals are incorporated into groups is referred to as individualism against collectiveness. The advantages of the collective are valued more highly than the benefits of the individual in a collectivist culture. The amount to which strong persons in a community are respected is referred to as power distance. The degree to which people feel intimidated by uncertain or unfamiliar events is defined as uncertainty avoidance.

3.2   Learning Outcomes

At the end of this unit, the student is expected to have learnt the;

- Differentiate between Cross- cultural comparison and influence of cultural values

- Understanding how to meet customer expectations in multicultural environments

- Describe the Culture and value co- creation in hospitality service

- Explain the relationship between Culture of employees and service delivery

- Delivering services in the multicultural marketplace

Self-Assessment Exercises 1

1. What is cross-cultural studies?

2. State the importance of meeting customer expectations in multicultural environments

3.3   Cross- cultural comparison vs. influence of cultural values

Customer happiness and loyalty, service evaluation, response to service failure, joint production, service interaction, and employee training have all been studied as cultural influences on hospitality service delivery. Mainstream research in this topic focuses on intercultural service interactions in which cultural variations among personnel, companies, and consumers interact to influence service outcomes. One common field of study is cross-cultural studies, in which customers and workers from various cultural backgrounds are compared. The bulk of cross-cultural research have investigated or utilized distinctions between Western and Eastern persons. As a result, consumers' perceptions and behavioral responses to poor hospitality service have gotten a lot of attention, with cultural norms recognized as major explanatory variables. The majority of studies in this subject have concentrated on cross-cultural variations in reactions, however research focusing on distinct local values has begun to emerge in recent literature.

Individualism vs. collectivism has been widely used to explain cross-cultural disparities in service failure perceptions and recovery attempts.

Previous research has emphasized the possibility to re-establish customer trust and loyalty through service recovery efforts in the case of a service failure by engaging consumers in order to re-establish their pleasure or joy. Compensation (i.e., utilizing physical advantages to address complaints), apology (i.e., psychological compensation to address loss of social resources such as self-esteem and face), and explanation are all well studied in the literature. Individualists seek concrete recompense, such as cash refunds and replacement, but collectiveists desire appropriate explanations and apologies. Tangible recompense, on the other hand, is beneficial in collectivistic societies concerned with face when viewed as a representation of real apologies or attention to the situation. Another element that has received a lot of attention is the perceived fairness of the recovery effort.

3.4   Meeting customer expectations in multicultural environments

In order to generate wonderful experiences and establish customer loyalty in the global hospitality sector, firms must fulfill customer expectations with a service portfolio that fits a variety of culturally determined service requirements. Factors that contribute to consumer happiness, joy, and loyalty differ among cultures, necessitating global hospitality organizations to get appropriate understanding of local cultures before entering a foreign market. In high power distance societies, for example, service interaction quality is the baseline of customer happiness, even in the setting of low-cost service consumption. Cross-national disparities are similarly difficult to explain using Hofstede's taxonomy.

For example, in contrast to Australians, the interaction aspect is crucial to US hotel customers' enjoyment, despite the fact that both nations are very individualistic and have minimal power distance. Some research went beyond Hofstede's paradigm and discovered that customer satisfaction with service interactions is also influenced by communication styles anchored in consumers' cultural values. Understanding consumer expectations and the cultural characteristics that contribute to customer dissatisfaction is essential for marketing success in multicultural settings. However, according to some analysts, avoiding service failure and maintaining customer pleasure is no longer sufficient for gaining a competitive advantage and increasing customer loyalty. Customer pleasure, which goes beyond contentment and includes a joyful experience, has become a new aim for many hospitality firms since it predicts customer loyalty more effectively than satisfaction.

What pleasures one visitor from one culture may not delight all of the other guests. Production and delivery of cross-cultural services Understanding cultural differences in service perceptions aids in assessing the effectiveness of service providers and designing an effective cross-cultural service production and delivery plan. Understanding the culture of the 'other' allows service providers to communicate more effectively and respectfully. The section that follows is a survey of research that have examined how hospitality organizations should generate and offer services in today's multicultural market.

Self-Assessment Exercises 2

1. Mention the three types of service production
2. Employee conduct is influenced by the culture in which they were reared.

   TRUE or FALSE

3.5   Culture and value co- creation in hospitality service

Based on the level of client engagement, service production may be divided into three types: firm production, joint production, and customer production. In the hospitality literature, there is a growing emphasis on collaborative production that incorporates both customers and servers, as well as the value co-creation process. The notion of value co-creation stems from the service-dominant (S- D) marketing theory, which argued that value realization is contingent on the customer's engagement in the exchange and consuming process. A growing number of experts believe that service production should no longer be considered a firm-dominant activity. Customers must be included at all stages of the value development process. The process of value co-creation is also culturally influenced. "Value is cocreatedin cultural context through the execution of behaviors and the integration of resources, which are governed by norms and collective meanings," according to the value-in-culture-context theory. A high level of client engagement is required for effective value co-creation in hospitality services. Customer engagement in hotel service production necessitates the use of cultural capital, which refers to the education and information gained through time that offer customers with social connection foundations during the exchange mechanism. Customers' use of self-service technologies to increase efficiency and convenience varies by culture. For example, hotel visitors from high power distance cultures or with higher uncertainty avoidance are less likely to adopt self-service technologies in order to escape the agony of engaging in service failure. The Western culture-based technology adoption model was used to suit Asian hospitality consumers, and it was discovered that word-of-mouth and customization are two essential criteria for web-based self-service technology acceptance in collective cultures.

3.6   Culture of employees and service delivery

Employee conduct is influenced by the culture in which they were reared. Although the influence of consumers' cultural orientation is well acknowledged, the impact of service staff' national cultures on service quality results is usually ignored. Employees' country cultures may influence their service inclination (e.g., service style, attitude, work pattern), which influences the service output. Local values have a considerable impact on employees' service conduct in various communities. It is advised that Western management principles be critically embraced in such countries' organizations. For example, while empowerment is a great motivator in individualistic Western corporations, Chinese enterprises have run into risk avoidance issues while launching their empowerment initiatives.

3.7   Delivering services in the multicultural marketplace

Interactions between employees and consumers entail cross-cultural communication. There may be a cultural mismatch between locally recruited staff and the company or tourists. The degree of cultural empathy and cultural closeness impacts frontline personnel' capacity to provide a positive visitor experience. Cultural intelligence, which refers to service providers' ability to deal intelligently with situations characterized by cultural variety, was recognized as a vital talent necessary to produce memorable encounters. Employees' cultural intelligence was specifically investigated as a key element influencing performance and service quality. As a result, developing cultural intelligence was identified as a key goal for service personnel training.

The cultural gap between clients and service providers might have an impact on interaction comfort. Customers may feel more apprehensive, uneasy, or concerned during a service

interaction if the cultural difference is greater. Employees may also suffer from the impacts of cultural remoteness. As a result, some academics have proposed that it could be a beneficial approach to reduce the cultural gap between personnel and target consumers. Appropriate consumer education and employee training, for example, would be beneficial in fostering mutual understanding, boosting employee attitudes, and raising knowledge of the benefits of cultural diversity. Intercultural communication accommodation (e.g., a culturally congruent service provider and/or the use of the original language) is another service delivery technique that has garnered substantial scholarly attention. Adapting a hotel's menus and directories, for example, to international clients' local language may make all the difference in generating a delighted visitor. A culturally incongruent service provider who serves the client in the customer's native language is beneficial in enhancing customer satisfaction.

Cross-cultural marketing communication is also important for facilitating service creation and delivery. This type of marketing communication is critical since it impacts early views of the service and product. When advertising to a specific market, the efficacy of the advertisement is higher when the cultural values incorporated in the message are compatible with those of the message recipient. Marketing communications that emphasize communal benefit and harmony, for example, are more successful for persons from collectivist countries, but articulating personal benefits is more beneficial for individualists.

3.8   Summary

- As cultural effects on hospitality service delivery, customer satisfaction and loyalty, service assessment, response to service failure, joint production, service interaction, and personnel training have all been explored.

- Firms must satisfy client expectations with a service portfolio that matches a range of culturally defined service criteria in order to provide fantastic experiences and develop customer loyalty in the global hospitality sector.

- Service production may be classified into three forms based on the extent of client engagement: firm production, joint production, and customer production.

- Employee behavior is shaped by the culture in which they were raised.

- Employee-consumer interactions necessitate cross-cultural communication.

3.9   References/Further Readings

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3.10   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Cross-cultural studies involve customers and workers from various cultural backgrounds are compared

2. Meeting customer expectations in multicultural environments helps to generate wonderful experiences and establish customer loyalty in the global hospitality sector

Answers to SAEs 2

1. Firm production, joint production, and customer production

2. TRUE

UNIT 4   THE ROLE OF SELLING AND SALES MANAGEMENT IN MARKETING

Unit Structure

4.1   Introduction

4.2   Learning Outcomes

4.3   Selling and the Marketing Concept

4.4   Personal selling

4.5   The role of the modern salesperson

4.6   Sales force interfaces

4.7   Salesforce and corporate marketing strategy

4.8   Salesforce and the environment

4.8.1   Competitors

4.8.2   Technology

4.8.3   Economy

4.8.4   Social, cultural, legal, political

4.9   Salesforce and the company

   4.9.1   Research and Development (R&D}

   4.9.2   Production

   4.9.3   Purchasing

   4.9.4   Personnel

   4.9.5   Accounts

4.10   Salesforce and distribution channels

4.11   Salesforce and advertising/promotion

4.1   Introduction

In an age when advancing technology has dramatically increased the speed with which goods and services can be produced and distributed, as well as the ease with which organizations can communicate, the most variable factor in the efficient functioning of a firm with its customers remains the level of human performance. Sales operations are the most direct point of interaction between a company and its clients. Sales operations are the hub of corporate activity and a critical revenue-generating function. Sales operations now include not just personal selling but also a variety of client interaction professions such as telephone sales, customer support, or technical consultants, in addition to conventional salespeople. The Internet and other types of electronic communication will have a huge impact on how sales operations are handled, and this will be one of the greatest difficulties for tomorrow's sales manager. Despite the critical relevance of sales operations to the firm, courses in business management and marketing appear to marginalize, if not completely neglect, the subject of sales.

In fact, however, it is quite different, with top organizations fully aware that sales operations, which connect the firm with its clients, are an area that must be closely watched and extraordinarily well managed if the enterprise is to prosper.

4.2   Learning Outcomes

To begin, this unit intends to:

- assist the reader in understanding the role of selling in a marketing context

- define personal selling and sales management

- describe the job that sales personnel performed demonstrate the duties involved in sales operations management

- establish the organizational interfaces between sales and other departments within the firm

- evaluate different ways to researching the issue

Self-Assessment Exercises 1

1. Differentiate between selling and marketing

2. What is personal selling?

4.3   Selling and the Marketing Concept

The function of selling as part of the marketing mix is well acknowledged. Most salesmanship, personal selling, and sales management literature begin by characterizing the salesperson's principal function as contributing to the attainment of the enterprise's sales, marketing, and corporate goals. The prevalent perspective of the distinctions between selling and marketing is that described so eloquently in 'Marketing myopia': the distinction between marketing and selling is more than conceptual. Selling is concerned with the requirements of the vendor, whereas marketing is concerned with the needs of the customer. Selling is focused with the seller's desire to turn his product into income; marketing is fascinated with the concept of satisfying the customer's wants through the product and everything related with developing, distributing, and

eventually consuming it. While this may have reflected a need to distinguish between a sales orientation and a marketing orientation at the time, a negative effect of this pedagogical approach is that marketing scholars may adopt an outdated view of the selling function and be led to consider marketing and selling as opposites rather than complementary.

Assuming the reader has taken a basic marketing course or knows the marketing idea, the contrasts between production and marketing orientation and between sales and marketing orientation should be clear. The seeming conflict between the necessity for the value of personal selling and the idea that successful businesses have shifted from a sales to a marketing orientation has now emerged. The solution to this discrepancy is that marketing has modified rather than replaced selling.

4.4   Personal selling

Personal selling is the final connection in the buyer-seller transaction process. Personal selling can be defined as making personal contact with one or more buyers in order to make a transaction. This interaction includes salesmanship, which has been defined as a "seller-initiated effort that offers prospective purchasers with knowledge and other advantages, encouraging or persuading them to make purchasing decisions in favor of the seller's product or service." Staffing and directing sales operations in order to fulfill the firm's goals through subordinates. Personal selling is now used as one component of the promotional mix, which is part of the marketing mix. Figure 17 depicts this.
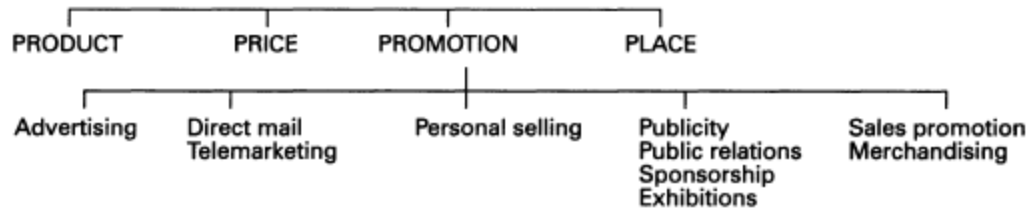
Figure 17: Elements in the marketing mix

This conceptualization of the function of selling in the marketing mix is critical to the proper implementation of the marketing idea as well as the efficient integration and utilization of company resources. Coordinating promotional efforts in this manner will make selling easier and decrease the need for a hard sell or unnecessary promotional expense. In a marketing-oriented, competitive organization, the essential essence of selling has multiple important tasks - giving information, persuading, and developing, building, and sustaining connections.

## 4.5   The role of the modern salesperson

The most essential distinction between selling and other aspects of marketing is human touch. Personal interaction is required depending on a number of parameters such as the type of consumer, frequency of purchase, newness of the product, and so on. In some cases, impersonal techniques such as advertising can play the function of information persuasion. Table 3 shows a comparison of different mediums.

**Table 3:** Advertising and personal selling compared

Advertising	Personal selling
Directed at a mass audience	Directed at the individual
Impersonal, indirect contact	Personal, direct contact
Less directly adaptable	High level of adaptability
Working in breadth (that is, large numbers/limited message)	Working in depth (few contacts, more detailed communication)
One-way	Two-way
Organised feedback (via marketing research)	Direct feedback
Relatively cheap per contact	Expensive per contact
Pull effect (customer or prospect is expected to contact you)	Push effect (active sales leads are pursued)

Every sales circumstance is unique in some manner, and sales management must be concerned with understanding buyer-seller interaction while simultaneously acknowledging that control over sales situations is impossible. As seen in Figures 18 and 19, the amount and attractiveness of personal selling vary depending on the stage of the purchase process and the kind of items.

- Offering contact

- generating interest

- developing preferences

- making specific proposals

- completing the sale

- keeping business are typical steps in the formal process of personal selling.
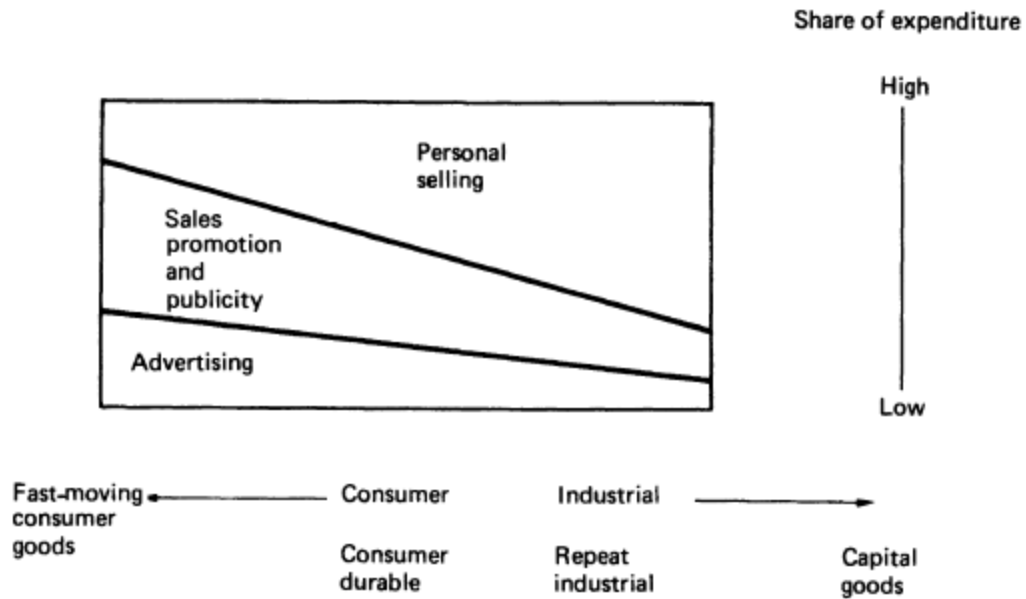
**Figure 18:** The importance of selling and type of product
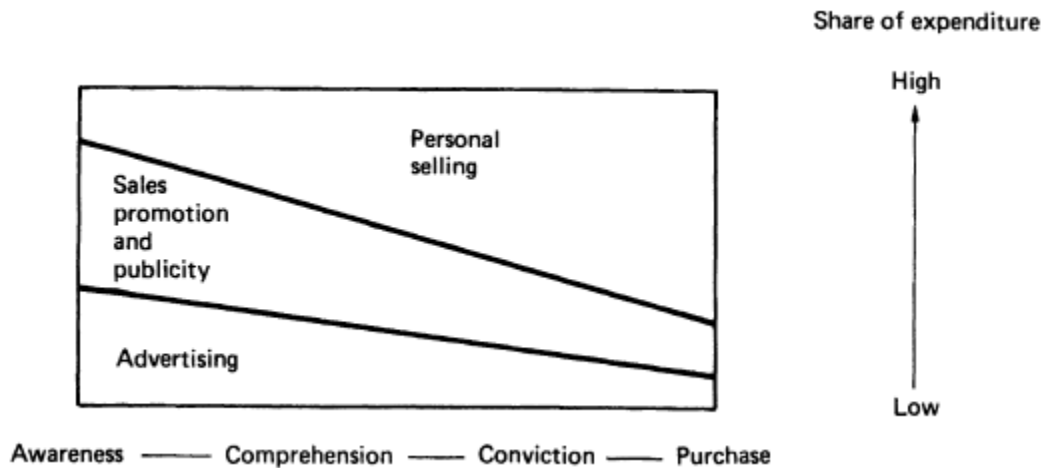
Figure 19: The importance of selling and stage in the purchase process

4.6   Sales force interfaces

The sales function is a cross-functional activity. Salespeople may be amused to be referred to be inter-organizational boundary-spanners, but that is precisely what they are. They serve as the

ultimate point of contact between a firm and its consumers. Despite the fact that salesmen spend the most of their time alone, the old adage "no man is an island" may be truer of them than of anybody else. The salesforce must engage with other departments inside the organization, as well as with other firms, as well as with the impacts of external forces and the firm's own marketing efforts. Controlling the sales force necessitates careful management of the interactions both inside and across organizations, as illustrated in Figure 20.
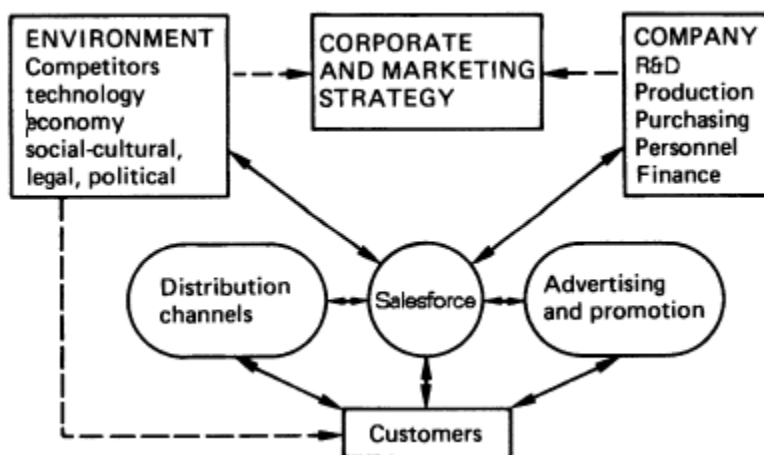
Figure 20: Salesforce interfaces

4.7   Salesforce and corporate marketing strategy

Since selling has already been recognized as a component of the marketing mix, the interface problem between sales and marketing should be easier to fix. In organizations when this is not the case, the issue is frequently one of failing to address the issue. As a result, salespeople may be unaware of what is expected of them, or there may be a dispute between individuals and management, or between sales policies and marketing policies. Several factors of marketing strategy might be critical to the function of the salesforce and the performance of an individual salesman. The degree to which the same product/service package is supplied to the market or

adjusted to meet the needs of distinct groups of consumers has a significant impact on sales management choices. Companies must determine their market coverage strategy. Typically, they are classed as undifferentiated (no segmentation), differentiated (different services to various clients), or concentrated (different offerings to several groups of customers). The most typical segmentation basis are geography, outlet type, end user, and purchase decision factors. Other segmentation bases concern individual customers.

Self-Assessment Exercises 2

1. State the four categories of environmental influences on sales management

2. What are the components of the selling cycle?

4.8 Salesforce and the environment

Sales management develops sales policies in order to meet the firm's sales, marketing, and corporate objectives. Many factors influence whether or not these objectives are met. Some of these elements are outside the control of sales management, but their impact must be detected and forecast. These environmental influences are classified into four categories:

4.8.1 Competitors - In today's economy, every dollar of disposable income competes with every other dollar. Most salesmen would argue that their challenge is not client discontent, but rather too much competition, and that their own challenge is to retain and keep a competitive edge. There are competitors everywhere. Electricity competes not just with natural gas, but also with electrical merchants. Banks compete with both building societies and other banks. IBM competes with British Telecom, same as the neighborhood store competes with supermarkets.

Just as a football manager will thoroughly examine the opponent's strengths and weaknesses before a game, a corporation must assess the strengths and weaknesses of rivals. Continuous competition evaluations are an important aspect of marketing and sales activity. Sales management should exercise caution not to overreact, since a "follow-my-leader" mentality may be a weakness in a company's own sales effort. Effective sales management will need a combination of competitive analysis, inventive selling strategies, personal flair, and a strong marketing effort.

4.8.2   *Technology -* one of the reasons for the emphasis on marketing is the lack of a sales-oriented approach to maintain a long-term advantage. Salesmanship will not overcome product obsolescence, no matter how strong the sales plan or how effective the salesperson. New materials, goods, and procedures appear to be appearing at an ever-increasing rate. Product lifecycles are becoming shorter, and this has an impact on how goods and services are delivered and promoted. Technology is possibly an overly broad term for such advances. Salespeople must grasp how such changes effect their personal position, the competitiveness of their product, and the company's reputation.

4.8.3   **Economy -** Sales activity stimulates the economy significantly. This stimulus as the selling cycle, which is seen in Figure 21. Customers' demands and requirements are encouraged by selling activity, which leads to investment, employment creation, and more purchases. Selling is both impacted by and stimulated by economic situations. There is some evidence that enterprises that boost their marketing effort during a recession are a beneficial driver in increasing economic activity. Nonetheless, economic circumstances must be assessed and forecasted in terms of their impact on sales operations. Other characteristics of the economy, such as market power and market structure, have an impact on the firm's sales strategy.

4.8.4 *Social, cultural, legal, political* **-** the impact of these elements varies depending on the size and kind of organization, as well as the environment itself. These elements are more relevant at international borders than they are within a country, although this is a question of degree. These influences, once again, are a given restriction. Sales policies must function under legal and political limits while also taking into account current behavior patterns, interests, and opinions. The significance of environmental changes is critical to survival.
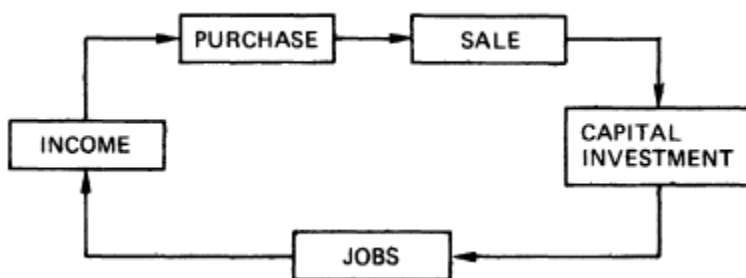
Figure 21: The selling cycle

4.9   Salesforce and the company

Demand generation and demand stimulation are both included in personal selling. If personal selling is more cost-effective than other means of advertising (or no promotion at all), the company's profitability will improve. The sales force is also important in the success of new items and in generating promotions by alerting distributors. Their primary goal is to keep existing customers. To meet sales goals and reconcile corporate and customer demands, it is necessary to understand other departments and the nature of their ties with the salesforce. Coordination and communication across departments must be well developed:

4.9.1   Research and Development (R&D}

Because of the nature of competitive marketplaces, corporations are under growing pressure to respond with new and improved goods. Without taking over the function that marketing may and does play in this process, the salesforce provides information about the features and advantages that consumers look for in goods. More significantly, the salesforce must be able to credibly market the R&D department's production. Salespeople are not suggested as surrogates for marketing research, but their contribution is an important element of the assessment and development process.

4.9.2   Production

At the sales-production interface, production conflict is unavoidable. When uniform items are created at consistent quantities of output, production efficiency is maximized. Sales would want to offer changeable amounts on a variety of customized items to meet the specific demands of various clients in order to address their challenges. Internal dispute may arise, with ramifications for sales (potential missed orders) and production (high stock costs, production changes). The strategy that management takes to handle such dispute will define the enterprise's position and future development. Sales, on the other hand, can help production by eliminating surplus inventory and selling more of the higher-profit items. Production may help sales by providing prompt responses and precise information. Production and consumption occur concurrently when the product is a service. Because of this basic distinction of inseparability, the customers'experience throughout service delivery is as crucial to customer satisfaction as the benefit the service offers. As a result, the salesperson is also a producer, and vice versa.

4.9.3 Purchasing

Increasing a firm's focus on purchasing as a profit-generating activity improves its competitiveness. Lower-cost purchases raise profits immediately, as opposed to sales-boosting tactics, which may have the same impact but incur additional expenses. (For instance, more salesmen and increased advertising). The quality of knowledge regarding materials and products, as with manufacturing and R&D, enables purchasing to adjust requirements or acquire better terms. In industrial marketplaces, reciprocal trading benefits may need even greater collaboration. The value of schemes like "we'll purchase yours if you buy ours" is determined by the level of engagement and attitude of collaboration between purchasing and sales.

4.9.4 Personnel

The personnel department's involvement in sales operations is frequently problematic. Sales managers, despite their inexperience, prefer to conduct their own recruiting, selection, training, and motivation of employees under their supervision. The reasons behind this will be discussed further in the book. Again, collaboration between staff and sales should be firmly founded in solid managerial cooperation and communication abilities.

4.9.5 Accounts

The inaccuracy in calculating the return on marketing and sales expenditures is frequently a source of annoyance and anxiety for the finance director, as well as the sales director. Sales should, to the greatest extent practicable, offer unambiguous budget forecasts for the intended business term and regulate expenditure accordingly. Finance may help sales, especially with new clients, by offering quick credit approvals. Sales may help by recognizing the significance of

early payment to profitability. While finance is typically cautious, sales may be too optimistic about credit risks.

4.10   Salesforce and distribution channels

Distribution channels are an extension of a company's sales activity. The quantity and kind of channel members will be critical in determining the firm's overall marketing performance. Distributors' goals may differ from those of manufacturers, resulting in channel conflicts. This may be addressed in part through marketing strategy. Some companies, such as Black & Decker and Kellogg, develop a franchise with the customer, and the distributors play a more passive role (pull strategy). In other circumstances, especially with undifferentiated consumables, the product in stock is the product sold. Perhaps the buyer or user is more devoted to the outlet than the brand. A push strategy is preferable. Good relationships between members of the distribution channel are essential in all circumstances. Cooperative programs in terms of inventory levels, collaborative marketing, or service facilities may be seen as an important element of the product by the consumer. In some circumstances, even when the product is delivered through an intermediary, the salesforce must sell specifications.

4.11   Salesforce and advertising/promotion

Personal selling and advertising/promotion are both components of the marketing communication process, through which businesses connect with their customers and others. The contrasts in approach of the two mediums were highlighted in Table 4, but their influence is best (cost-effective) when employed together as part of a strong, cohesive marketing campaign. The mix of promotional strategies and other pricing, product, and service components adds to sales

and customer loyalty. In certain cases, promotional assistance and advertising are intended to generate sales leads or to aid in the personal selling attempt. Personal selling efforts for various consumer items are intended to supplement (through distributors) the promotional program.

4.12   Salesforce and customers

The interaction or relationship between the salesperson and the client is the most crucial of all. The customer is sometimes the final consumer or end user, although others may consider members of the distribution route to be their consumers. These groupings represent the individuals the corporation must satisfy. Salespeople's relationship with customers is one of happiness and service. The ability to fit business strategy and policy to consumers' demands and requirements is a fundamental factor of sales performance.

4.13   Summary

- Selling is concerned with the vendor's needs, whereas marketing is concerned with the customer's needs.

- The last link in the buyer-seller transaction process is personal selling.

- The sales role is a multifaceted activity.

- Sales management creates sales rules to achieve the firm's sales, marketing, and corporate goals.

- A company's distribution channels are an extension of its sales activities.

- Personal selling and advertising/promotion are both parts of the marketing communication process that firms use to communicate with their clients and others.

4.14   References/Further Readings

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4.15   Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Selling is concerned with the requirements of the vendor, whereas marketing is concerned with the needs of the customer.

2. Personal selling can be defined as making personal contact with one or more buyers in order to make a transaction.

Answers to SAEs 2

1. Competitors, technology, economy, social, cultural, legal, political

2. Purchase, sale, capital investment, jobs, income

UNIT 5   SELLING THEORIES

CONTENTS

5.9   Possible Answers to Self-Assessment Exercise(s) within the content

5.1   Introduction

The selling theories refer to the salesperson's behavior toward the prospect or client, which assures the active sale of products or services. Because a seller also works as a marketer, selling theories acquired importance owing to the rising role of the salesman in marketing.

5.2   Learning Outcomes

To begin, this unit intends to:

- Describe the different selling theories

- Explain the techniques in the sales profession

Self-Assessment Exercises 1

1. How many are the selling theories?

2. What is the most well-known of the selling formula techniques?

5.3   Selling theories

Most salesmen regard selling theories as a contradiction in language, an oxymoron. Nonetheless, considering the most popular notions aids in determining the relevance and efficacy of various marketing tactics. An individual salesperson's approach can range from a stylized strategy that aims to execute the sales process in a scheduled, conditioned manner to an ad lib, spontaneous presentation. In most cases, neither extreme is viable, and some kind of classification or sequence of strategy for a sales contact is both desired and effective.

5.3.1 Stimulus-response theory

The scripted presentation or conditioned response selling strategy, which is popular in direct selling, may be quite effective. Because Pavlov's tests were successful with dogs, it should be sufficient for the naive consumer! This idea holds that salespeople should say the appropriate things in the proper order in order to excite consumers' wants and desires. This strategy is appropriate when the sales process is basic and easy, the conclusion is a sale or no sale, the product is low-priced, and time is limited. The persuasive process will be different in more sophisticated purchases where the focus is on supply chain integration and teamwork. The sales organization, whether a person or a team, must find a variety of indicators, both core and peripheral, that inspire purchase desire and demonstrate the buyer's readiness to continue the engagement.

5.3.2 Selling formula

AIDAS is the most well-known of the selling formula techniques. This mnemonic, or variants on it, is commonly used to describe communication processes in terms of mental states theory. In communication theory, these successive processes are known as the hierarchy of effects, and their theoretical and empirical importance are hotly debated. These models, at the very least, have some intuitive appeal, especially when paired with a sequence of discrete milestones in the sales process.

	Hierarchy of effects	Steps in the selling process
A	attention	making contact
I	interest	arousing interest
D	desire	creating preference/specific proposals
A	action	closing the sale
S	satisfaction	retaining business

5.3.3 Hierarchy of effects Steps in the selling process

A attracting attention Interest stimulating interest D want developing preferences/specific recommendations A closing sales satisfaction maintaining business activity

5.3.4 Buying formula (needs-satisfaction}

Selling theories that do not include the purchasing process or the interaction between buyer and seller must be incomplete. The phases were identified as follows, still employing a hierarchical structure:

- need
- solution
- purchase
- satisfaction

Since these early models, a separate line of study on purchasing behavior has arisen.

Self-Assessment Exercises 1

1. What is the full meaning of the acronym "FAB"?

2. What is the "closing" concept in selling?

5.3.5   *Problem solution theory*

Variations of the selling formula technique are often used by sales professionals and trainers. The most well-known is FAB - feature, advantages, and benefits. Later, the significance of the prospect was recognized, and models connected to client demands first, then to benefits. Sales performance may be improved by changing salespeople's behaviors for different selling scenarios and developing abilities rather than merely actions. He has developed the SPJN model (Figure 22), a more appropriate technique for organizational buying, particularly for larger purchases.
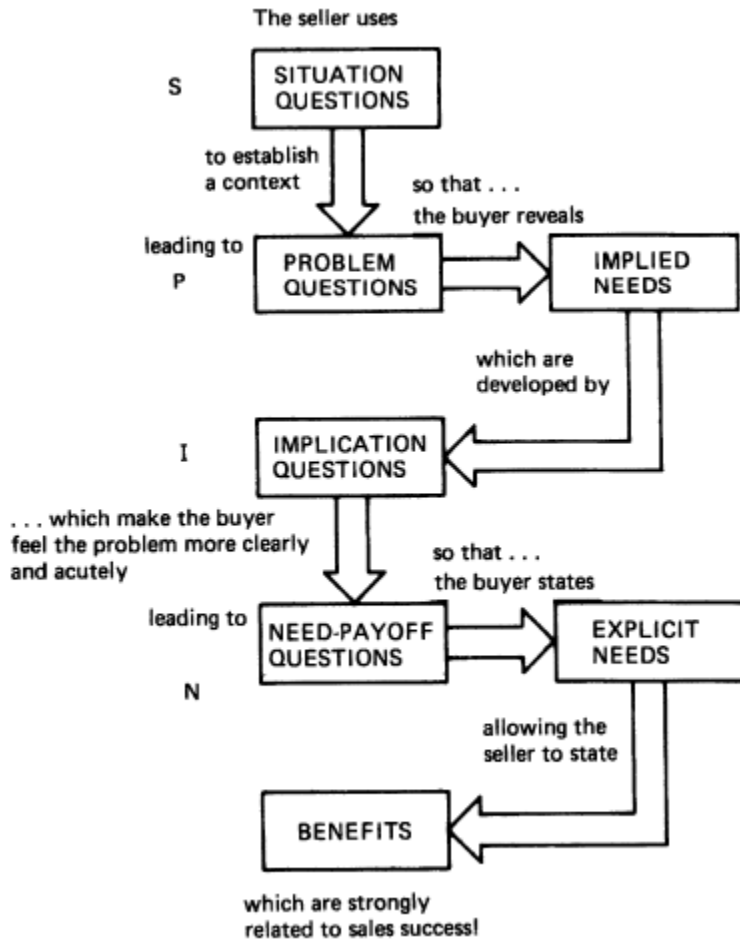
Figure 22: The SPIN® model (Rackham, 1987)

The focus in Rackham's concept is on salespeople being more productive, working smarter rather than harder. In a sales engagement, asking questions and allowing the customer to do the majority of the talking is more compelling and successful than a sleek presentation. Rackham discovered that good salespeople ask questions that get the buyer talking, which reveals both explicit and implicit demands and allows the salesperson to match their offer more precisely to the customer's requirements. Furthermore, as indicated in the model, good salespeople ask specific sorts of inquiries. For example, they may ask situational questions to gather background information, but not too many, since this may dull or upset the customer. They swiftly move on

to problem inquiries that identify problems or unhappiness. Although answers may arise at this stage, implication questions expand the scope of the problem and demonstrate the significance of a solution. Need-payoff questions imply advantages for the consumer. While this may appear to be a stylized approach, it has shown to be a strong technique to accomplishing the salesperson's core task—solving the customer's problem and showing what has to be done to earn the customer's business.

5.4   Buyer-seller similarity

Management of the salesforce will be useless unless the sales manager thoroughly knows the nature of the relationship between buyer and seller. While the importance of buyer-seller connection may appear to be self-evident, most of what is said and published about selling gives little attention to the complex behavioral interactions that exist in sales scenarios. Theories in this context are difficult to evaluate because they require attempting to examine a set of variables and connections that are not all well-defined and therefore significantly less accessible to precise measurement.

5.5   Techniques

Regardless of what has been written about matching, technique in the sales profession is still and has always been critical to good selling. While cautioning against the concept of a single optimal or universal technique to market, certain relevant recommendations can be offered.

5.5.1   *Generating leads and identifying prospects*

Most salespeople generate revenue from existing clients, but the profession also requires acquiring new customers. The first step in accomplishing this is to identify appropriate prospects. Many businesses give salespeople with leads through official sources, such as Glenigan for the construction sector, or from responses to inquiries generated by trade exhibitions, direct mailing, telemarketing, or advertising. Salespeople will produce their own leads through lists/directories, personal contacts, publications, or phone prospecting. A lead, on the other hand, is a suspect who must be qualified before becoming a prospect. To qualify a lead, establish that the potential customer need the product or service in issue, that they have a problem that needs to be solved, and that they have the means and power to influence or decide on the purchase. In addition, the future account will be lucrative.

5.5.2   *Planning*

According to an ancient rule of thumb, a good sales process consists of 40% preparation, 20% presentation, and 40% follow-up. Regardless matter how accurate these numbers are, there is no doubt that preparation is the key to success. All sales calls should have a goal, preferably with a defined conclusion or action on the prospect's behalf. Setting objectives, acquiring information on the buyer and their firm, and selecting what questions to ask and what to say are all part of precall planning.

5.5.2.1 The approach

Getting an encounter with a prospect may be challenging and even frightening for an unskilled salesperson. Although the function of selling should not be based on method, there is a talent in getting in front of the proper individuals so that your message may be transmitted and accepted.

It is ultimately what you do and how you do it that establishes long-term customer connections, but getting there can be challenging. Experienced salesmen will advise you to go beyond the gatekeeper (receptionist, secretary, or personal assistant) and create a connection with both the buyer and their gatekeepers. Making appointments is usually necessary to create a professional attitude, although letters of introduction and the use of third-party references may also be helpful.

5.5.2.2 The presentation

The capacity to ask questions, especially the proper questions, distinguishes successful from unsuccessful salesmen. Nonetheless, salespeople frequently overemphasize the oral presentation while ignoring the written sales proposal, quote, or later follow-up, all of which can theoretically be considered part of the presentation. It is critical to guarantee that the buyer's needs have been accurately recognized, that the solution provided is as expected, and, if feasible, that the customer's expectations are surpassed rather than just met. Furthermore, when used appropriately, pictures may comfort the consumer and inspire trust in the salesperson, their product, and their organization. Most experienced salesmen value well-organized and specifically tailored presentations far more than manufactured and styled presentations. Manufacturing research has also revealed that there.

5.5.2.3 Overcoming objections

A buyer's natural tendency is to stall and raise objections to a sales presentation.

Again, skilled salespeople may argue that objections are to be welcomed since they demonstrate the buyer's interest in the product or service, despite the fact that the purpose of questioning is to disclose true requirements and keep surprises to a minimum. Goodsellers distinguish between

distinct sorts of objections. Some complaints are just clarification inquiries and should be accepted. However, there are some arguments that reflect genuine concern. The recommendation here is to attentively listen to the situation, explain that all parties grasp the true issue, and agree on how to remedy it. Listening builds trust in the salesman and builds excitement for future interactions.

5.5.2.4 Closing

Closing is a terrible concept because most selling is repeat business to existing and known clients. Nonetheless, the salesman has established a goal, and achieving that goal is vital for the relationship to proceed. Salespeople frequently neglect to ask for the order. They are so preoccupied with their presentation that asking for cooperation is overlooked or ignored. In other circumstances, including extra features and benefits in which the buyer may not be interested costs the sale by failing to request a choice at the appropriate moment. Effective closure entails agreeing on the goals that both parties are attempting to achieve and that will propel the partnership ahead into more integrated activities.

5.5.2.5 Follow-up

What happens after the sale is critical in a customer-driven organization. Most buyers protest when promises are broken and the salesman fails to deliver. This is catastrophic in modern company, when connections and the capacity to execute as promised, go the additional mile, and satisfy the client are at the center of what a firm should be about. The most crucial question a salesman can ask is, 'What do I need to do, Mr. or Mrs. Customer, to win more of your business?'

5.5.2.6 Negotiation

Negotiation is one of the most commonly used words in the marketing lexicon today. According to popular belief, everything is negotiable and everyone is a negotiator. The reason for the tinge of cynicism is that truisms like "nothing occurs until someone sells something" are neither beneficial to our understanding nor a direction to behavior. It is obvious that the interpersonal aspect of the trade in personal selling necessitates a negotiating process. Most writers argue that bargaining and selling are distinct activities, yet in the relationship-based, nanosecond 1990s, negotiation is an essential component of selling. The significance of connections has raised interest in negotiation. Repeat business and client loyalty have risen, with both sides looking for a competitive edge. Despite the importance of customer orientation, customers want more from their suppliers, whether it be a cheaper price, faster and more dependable delivery, or technical help and efficiency. As a result, in buyer-seller scenarios, the necessity for negotiation, defined as a method of resolving dispute to obtain a mutually acceptable settlement, is generally present. While there are many parallels between selling and bargaining, and talents from one are frequently transferable to the other, they are not the same thing. Negotiating entails compromise and maneuvering between two parties that have something to offer each other and are willing to negotiate in order to reach an agreement.

Negotiating may be divided into eight stages:

i. *Preparation*

This is critical for a skilled negotiation and distinguishes the professional or competent negotiator from the amateur or inept. Goals must be established in this initial stage. These must be unreasonable, and there must be some wiggle space. Set optimistic, realistic, and pessimistic goals, or, to put it another way, decide what you want, what you aim to get, and what the very

minimum is. It is critical to be practical here, which includes gathering facts so that you are well prepared. Costs, revenues, and profits resulting from various possibilities must be calculated in advance. Another component of preparation is deciding ahead of time whether you will be strong and aggressive or meek and receptive in your bargaining style. Some salesmen are terrible negotiators because they keep talking and scoring points instead of summarizing and reflecting on the topics agreed upon. Many times throughout a negotiation process, it is better to keep mute and contemplate an option rather than selling a position. Being prepared for these scenarios is critical to success, as are high levels of mental agility.

ii. *Discussion*

It is crucial to listen rather than tell throughout the negotiation process, and to seek knowledge through questions rather than point scoring. A good negotiator prepares a list of questions. Telling is not convincing, however asking questions is. To demonstrate this argument, pay attention at the next meeting or presentation you attend, particularly one of mine. When the presenter asks a question, especially a direct inquiry to an identified individual, there is quick attention. Statements do not need attention; questions do. Furthermore, inquiries prevent arguments, whereas assertions frequently cause them.

iii. *Signals*

The art of bargaining is to search for movement and reward assistance through signaling. Label your own behavior, for example, 'So you're saying... then I'd feel that...' This advances the process.

iv.   *Proposition*

The negotiator must be fair and flexible while making any proposal. It is critical to open realistically, progress modestly, and welcome a response in any reasonable negotiation. Fair, reasonable, and generous are words to avoid since they reflect insincerity and are often opposed by the other person, who has a different view of fair and presumably does not believe you anyhow. 'Can't say fairer than that, Guv...'means that nearly any other approach would be fairer!

v.   *Presentation*

While it is unavoidable that you will have to make assertions that emphasize the good and minimize the bad, it is more crucial to discern the other person's intent. Negotiations frequently fail due to a failure to recognize each other's predicament. Each party's perspectives are frequently incorrect or incomplete. A smart negotiator is used to ensuring that impressions are correct. Finally, evaluate your compromises in terms of the other party rather than your own.

vi.   *Bargain*

Bargaining between the parties is key to negotiation: 'If you do this...then I will do that.' Unlike selling, everything in negotiation is conditional—if you... then I... never offer 'owt for nowt'. Similarly, do not match a proposal with another proposal. According to research, a person is least attentive to an idea when they have just proposed their own. A competent negotiator hears a proposition, recognizes it, evaluates it, then questions it. They may then bargain on one or two issues, but not on all of them. When proposing a proposal, avoid including too many arguments, features, or benefits that may confuse the opposing side instead of increasing persuasion. If you question salesmen if there are any additional advantages, they will usually find some to back up

their case. However, the competent negotiator recognizes their own strengths and emphasizes rather than dilutes the case. Negotiate only a few issues and agree only on the most significant ones.

vii.   *Close*

Negotiations must have an outcome, therefore agree on your arguments, summarize your viewpoint, but do not be forceful.

viii.   *Agreement*

Don't simply agree, close. Don't just agree; acquire commitment, and if possible, write it down so there are no misunderstandings. People may shake hands on a contract, but they may not view it in the same way. Make a written record of it.

5.6   Summary

- The selling theories are stimulus-response, selling formula, selling process hierarchy of effects, buying formula, and issue solution theory.
- In the sales profession, there are eight techniques.

5.7   Glossary

Business: It is an organization or enterprising entity engaged in commercial, industrial, or professional activities

Competitor: one selling or buying goods or services in the same market as another offering lower prices than our competitors.

Consumer: Consumer is the final user of a purchased product or service

Culture: It is the beliefs, practices and artifacts of a group

Database: It is a structured set of data held in a computer, especially one that is accessible in various ways.

Digital: It is an electronic technology that generates, stores, and processes data in terms of two states: positive and non-positive.

Economy: It is the state of a country or region in terms of the production and consumption of goods and services and the supply of money.

Email: It is a computer-based application for the exchange of messages between users.

Gaming: It is the running of specialized applications known as electronic games or video games on game console

Marketing: These are activities a company undertakes to promote the buying or selling of a product or service

Media: It is the main means of mass communication (broadcasting, publishing, and the internet) regarded collectively.

Mobile: It is relating to mobile phones, handheld computers, and similar technology.

Negotiation: It is a discussion aimed at reaching an agreement.

Online: It means connected to, served by, or available through a system and especially a computer or telecommunications system

Platform: It is a type of computer hardware or software or operating system.

Sale: It is the exchange of a commodity for money

Video: It is the recording, reproducing, or broadcasting of moving visual images.

Website: It is a set of related web pages located under a single domain name, typically produced by a single person or organization.

5.8 References/Further Readings

Donaldson, B. (2004). *Sales Management: Theory and Practice*. Macmillan International Higher Education.

Kotler, P., & Keller, K. L. (2016). *A framework for marketing management* (p. 352). Boston, MA: Pearson.

Patel, V. (2007). *Theories and techniques of marketing management*. Oxford Book Company.

5.9 Possible Answers to Self-Assessment Exercise(s) within the content

Answers to SAEs 1

1. Five

2. AIDAS = Attention, Interest, Desire, Action, Satisfaction

Answers to SAEs 2

1. FAB - feature, advantages, and benefits

2. Closing is a terrible concept because most selling is repeat business to existing and known clients.