

Hand in business marketing



**ASSIGN
BUSTER**

Synopsis

Travelodge

In 1985 Tursthouse Forte owned Travelodge and they open their first roadside hotel on the A38 Burton under Needwood North of Lichfield. This was the first ever Budget hotel in UK. They then open six more roadside Hotels within a year. In February 2003, Permira acquired Travelodge and grew to 200 Hotels in the UK. IN 2006 saw the complete take over to its current owners the Dubia International Capital and by September had grown to 5000 staff. They are now looking to expand during the coming Olympics with a vision to be the biggest, having over 1000 hotels by 2020.

Literature review

What is marketing?

- The management process that identifies, anticipates and supplies customer requirements efficiently and profitably (ref: The Chartered Institute of Marketing) CIM.
- Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.(ref: Kotler)

Characteristics of a marketing-orientated organisation and elements of marketing concept?

Marketing oriented organisation

It is when an organisation channels all its effort toward satisfying customers needs and wants. The main task is seeking to identify and define customer needs. Marketing research became an essential tool to identify those customer needs and wants. They can also find the different markets, the size etc.

Research and Development products and service began as an ideal and had to be developed into the actual end result. Some product will go through modification until they met customer needs.

Pricing; it is important that the product has got the right price and that it is not undercharge or over charge. Prices give customer expectations about the product performance and it might have a knock on effect if it fails to meet such expectation.

Distribution; bringing the product or services to where customers can have access and to it, it is also known as place

Promotion; rising awareness through different forms of advertising TV, Radio, internet, newspapers and magazine, bill boards etc.

It is basically coordinating all organisational activities around the customer needs. The structure and process are designs to meet customer needs.

Marketing Concept

Integrated Marketing approach to all jobs within the organisation, its structure and process

Customer satisfaction is paramount as I can show as an example from my case study, even though Travelodge is a budget Hotel, they have added quality to the services they are giving, for example clean and presentation of the room, privacy giving customer luxury and satisfaction.

Making a profit is the reason why organisation has gone into business, so profits are the expected end result of the business.

The Benefits and costs of a Marketing Approach.

Introducing a marketing approach to a business has benefits from developing as a business, quality service given and increase in profits.

Benefits

- Clearly identify the needs and wants of customers
- Satisfaction of customers needs and wants, therefore gain popularity and loyalty. (Relationships are formed between business and its customer)
- you can apply right business strategy
- Identify competitors and apply necessary strategy to better than them.

Cost

Introducing a marketing approach will mean coordinating all business activities around the customer needs and wants. This means the structure and process has to change. Tools such as;

- Marketing research
- Planning strategy
- Promotion rising awareness and persuading customers

Will have to be used and all these cost a lot of money to have in place.

The segmentation criteria and targeting strategies

Travelodge need to have measurable, accessible, sustainable and hetero or homogeneity objectives.

- Measurable; having information available and cost effective.
- Accessible; company can identify and communicate with the chosen segments.

- Sustainable; how the segments are to offer profitable returns.
- Hetero/homogeneity; how diverse or compact a market is.

Demographic

- Travelodge takes into account the population trend; they need to know the different age groups, changes in the population and population distribution.

- **Family life cycle**

Travelodge considers the kind of life style, their behaviours, how they socialise and their conditions of life. In the UK there is heavy traffic round the clock a lot of people go out at night, business do not sleep, it's a 24 hour society an advantage to Travelodge.

Social class

Travelodge cater for people from all walks of life, they are providers of affordable prices. People in lower class can walk in through the same door as upper class and not feel bad they have been in a luxury of hotel.

Geographic

In each area Travelodge enters in they consider geographic factors that may work for their advantage, for example they will choose to locate near a tourist attraction so they can provide services to holiday travellers.

Targeting marketing

This will ask that the organisation to use all resources available resource to satisfy customer needs in specific segment. It can be done

in three different ways undifferentiated market, concentrated market, differentiated market

- Undifferentiated; aims to produce a single product and get as many customer to but it.
- Concentrated attempts to produce the idle product for a single segments of the market
- Differentiated; introduces several versions of a product each aimed at a different market segment.

Buyer behaviour that affect Travelodge

Perception that people carry about Travelodge have a good or bad influence on buyer behaviour. People have the tendency of using a service based on experience, different preferences, based social classes and expectations and motives.

Awareness

Travelodge makes use of radio, TV, the internet and the print media e. g. news paper and magazines to attract customers. They use special offers during holiday season to attract customers and because they are a budget Hotel people use them to save money during their holiday.

Environmental influences; weather conditions, for example more people take holidays during summer time and Travelodge dose a lot of business during this time.

The culture

Social classes

Groups and Situational influences

Marketing mix (4ps) that contribute to the success of Travelodge

(Ref: Travelodge 2009)

Product

Travelodge are a budget Hotel who provide clean and comfortable rooms with en-suite and promise to give you everything you need for a good night sleep. The rooms from single bed or double bed rooms and group bookings are available.

They also offer family rooms, Rooms with accessible facilities, 24 hour reception, Breakfast, drinks and snacks vending, and fast check in no need to check out and remote control colour TV.

Price

Travelodge has low and friendly room price which means you can stay a lot longer and enjoy your holiday or visit. This means you can spend less on accommodation and more on the reason you visited.

They have a unique pricing system that allows customer to check prices online and prices are per room and not per person. Customers that book 12 months in advance are give special discount offers making it even cheaper. To keep cost down they do not give toiletries.

Place

Travelodge is strategically located along motor ways targeting road users. They are now also near airports, museums and galleries, seaside, shopping centres and Theme Parks and Zoos.

Promotion

Travelodge gives internet offers, for example if you book 12 months in advance you get special prices. The internet is their strongest

advertising and promotional tool, news papers and magazines, TV and radio adverts they use to persuade customers to use them when they travel.

Evaluation

Pricing strategy contribute more to the success of Travelodge, because they are affordable. Their services which are first class also help persuade and sell their services to customers.

How and why international marketing operation of Travelodge differs from domestic

Travelodge will have economical, culture/social life, legal and political, environmental and technological influences to consider and deal with before going into that market.

Economical

The stage of development in the country and level of economic activities; the inflation and depression rate how the country couples under such pressure. The figures of unemployment (how many people that are not working that could be working).

Culture/social

The national culture, shape the belief, life styles, values and attitudes of people and affect their response to the life of Hotels. Their perception towards hotels may be of luxury and not necessity.

Technological

The infrastructure in the country; roads, electricity, telecommunication systems determine whether Travelodge will run smoothly because they heavily depend on computers to store customer data and internet for booking.

Environment

The weather conditions; the risk of natural disaster

Legal and Political

Political stability weather there is no indifferences between the opposing political parties. They need to know whether the country is under sanction, embargo. They will have to know the trading laws in that country.

finding and analysis

Different marketing strategy applied in domestic market and an overseas country by Travelodge

Travelodge will need to remain on top of their competitors domestically and at the same time gain market share in their overseas markets, so different strategies will be applied in order to achieve this.

Domestic market

They could apply defensive, offensive and even penetration strategies and protect against they competitors this is heavily depended on product positioning in it life cycle.

Defensive strategy

They can use aggressive promotional activities and offers, giving your existing customer special deals and attracting new customer with low prices.

International Markets

Travelodge could use penetration and offensive strategies attacking the competitors were they are weakest

Geographically going into places where they have the weakest market share.

Prices they can use low prices and slowly change their prices.

Advertising through the use of TV, Radio, magazines and news papers, giving special offer and reduced prices of holidays and gaining popularity to customers.

They have to catch rival of guard through splinting its attention in many direction and forcing them to use substantial resources to defend its position.

Macro and micro environment which influences marketing decision

The micro factor

Micro environmental factors are those close to the organisation and include the following

- Employees; the people working for the organisation
- Customers; anyone that uses or may potentially use your product or services
- Suppliers; provide you with raw materials good relationship with them may ensure an organisation fair prices.
- Media; the newspapers, magazines, TV and Radio, Billboards and the internet.
- Shareholder; investors in the business.
- Competitors; those that are providing the same product or services as you.

The macro factors

- Political; political unrest and confrontation between political parties may cause domestic wars and make it hard for business to operate.
- Economic; government policies fiscal and monetary, industrial structure, growth and labour markets. Income growth and wealth distribution, the effects on buying power
- Technological some countries may not be well developed and have poor infrastructure roads water and electricity and computer technologies the internet etc. Travelodge uses computers for bookings and storing customer data.
- Legal; laws that may affect your business maybe introduced.
- Environmental; climate changes and natural disaster how bad and rapid there are!
- Demographic; population, age, sex
- Social; attitudes and belief systems

The additional elements of the Marketing Mix

Process; how you do business and how you use the acquired knowledge.

People; staff, customers

Physical evidence; how your service became tangible.

Conclusion and recommendation

Travelodge has given people alternative of cheaper accommodation.

Hotels where before see as a luxury but Travelodge has change this

perception. Travellers can now plan road trips stopping at Travelodge to rest and have a good night sleep and paying less.