

# Report on tourism and hospitality sales and promotion

[Business](#), [Marketing](#)



## **Introduction**

The growth of the hospitality industry plays a significant role in the development of country's economy in terms of income generation, employment opportunities, social and cultural transformation. Hospitality and tourism is a service-based industry due to which utmost importance must be provided to promotional campaigns (Ernst & Young, 2013). A promotional campaign for hospitality is unique as it deals with tangible products, like bed and food, but also deals with the intangible aspects such as experience and social status (Barrows, & Powers, 2008).

The aim of this study is to develop a promotional campaign to significantly influence the travelers and tourists to visit the hotel for experience. This reflects the importance of promotion within this service based industry. This is the simple reason that the promotional campaign strategy for hospitality is discussed within the strategy along with a brief description of the other promotion mix. In addition, the target market for the promotional campaign has also been evaluated based on academic literature to support their selection. By taking into account, the position of the organization in its business cycle, the communication objectives for the developed promotion campaign have been developed. Competition plays a dominant role within this service based industry (Mei, Dean, & White, 1999) due to which the major competitors of the selection hotel have also been analyzed.

Furthermore, the research indicates the types of communication channels that are to be used for the promotional campaign along with the duration of the campaign. The measurement of the result of the campaign has also been

taken into account. In the end, the budget for the promotional campaign has been evaluated.

## **Best Western Hotel**

Best Western is a dominant name in the hospitality industry. Best Western operates in 100 countries with an aim to provide customers with the best accommodation and services across the world (Best Western International, Inc, 2013a). In order to effectively meet its desired objectives Best Western employs around 1200 people and offers its customers 314, 331 quality rooms all over the world. Best Western International operates 4000 hotels worldwide out of which 2, 160 hotels are located in North America (Best Western International, 2012).

The company is constantly aiming to expand in the international markets under a single brand name, Best Western. With the passage of time the company has developed three brands globally; Best Western, Best Western Plus and Best Western Premium, to meet the unending needs of the travelers and tourists. Due to such prominent brand name and quality of rooms, the company was provided with an opportunity to outperform the industry, even in the years of recession.

(Best Western International, 2012)

## **Some of the prominent places where Best Western operates are as follows;**

- Africa
- Asia
- Canada

- Caribbean
- Central America and South America
- Europe
- Mexico
- Middle East
- Oceania
- United States (Best Western International, Inc, 2013a)

## **Promotional Campaign Strategy**

Marketing has become an crucial aspect for businesses in the hospitality industry to attract consumers (Tepeci, 1999). Properly formulated marketing and promotional campaign could help firms to gain competitive advantage (Kotler, Bowen, & Makens, 1999). Therefore, Best Western needs to formulate promotional and marketing campaign in order to further increase its profitability.

Despite economic downturn in 2007 the hospitality industry witnessed significant decrease in the occupancy rates while Best Western enjoyed significant increase in revenues as well as the number of new occupant. The major reason behind such success was the extensive promotional campaign. Promotional campaigns have allowed the Best Western to positively influence the travelers and tourists to frequently visit and experience lavish lifestyle at the hotels offered by the organization.

Some of the strategies that are to be taken into consideration to significantly motivate the traveler and tourists are as follows;

## **Mobile Marketing**

Mobile marketing is one of the ideal promotional strategies for Best Western. Unlike other hotels in the market, Best Western should capitalize the advancing technology to its advantage. The travelers use their mobile devices to find and book hotels, event tickets etc. which would provide the organization with variety of benefits. For instance, Best Western should introduce smartphone application which could help in the selection and booking of rooms at fixed price. This could significantly help in the attraction and motivation of travelers. Furthermore, advertisements through the same application would allow the organization to gain acceptance of travelers in the market.

## **MMS Video Promotion**

MMS video promotion is another strategy that the company should capitalize. The redesign of the company's website allowed it with an opportunity to be named as the best website. The company should take advantage of such award and should start focusing highly on MMS video promotion. Through the company-owned website, Best Western International should attract the customers through videos. Videos have the tendency to go viral in a short period of time due to which the opportunity to attract millions of travelers in the world is higher than other forms of promotion. The video should provide travelers with essential information regarding the company and its offered services along with the benefits offered to the customers.

## **Social Networking Websites**

Although, the company is constantly utilizing the social networking sites such as Facebook and Twitter for the attraction of customers but Best Western should also take Pinterest into account. Pinterest is a constantly growing photo-sharing website that could provide the organization with a variety of benefits. One of such benefits includes customer attraction which could allow the organization to gain new customers from time to time.

## **Advertisement through TV**

TV ads were considered the least important promotional strategy at Best Western. The company launched its first TV ad campaign in the year 2010 for the promotion of its property (Eversham, 2010). Although, mobile phones have taken over the industry, but the company should take TV ad campaigns into consideration as well. With the help of such campaigns, the target customers could easily be attracted in the market.

## **Target Market for Promotional Campaign**

Business people are the most frequent travelers around the globe. To take advantage of such frequency travelling, the promotional campaign would be directed towards the business people. In particular, business class people would be selected as these are the ones that look for quality of service offered rather than the prices. In addition, these young and energetic individuals have the tendency to live lavishly due to which the business class people would be taken into consideration.

During the year 2012, almost 66.97 million people visited United States alone (Carpenter, 2013). Even if the number of business people within such

travelers is 20 million, Best Western would be provided with significant amount of revenues. In addition, it has also been researched that business people often prefer smartphones and android phones due to their nature of work. This means that the opportunity to attract potential travelers through the promotional campaign is significantly higher as compared to others. Moreover, their usage and attachment to the social media is rapidly rising with the passage of time. This reflects that this target market can provide the organization with significant opportunities if correctly engaged.

### **Communication Objectives of Promotional Campaign**

Even though, Best Western was founded in the year 1946 the group has witnessed significant growth in business as well as revenues in the local and international market. Best Western is at its maturity due to which the communication objectives of the company are far different for other hotels in the hospitality industry. Some of the most pivotal communication objectives of the promotional campaign would be as follows;

#### **Influencing the purchase intent of the customers**

Being in the hospitality industry for over 6 decades, Best Western has established its brand name in the market. The hotels along with the services are well recognized by the customers and with the help of a promotional campaign, the organization will be provided with an opportunity to further enhance its impact on the customers.

The communication would significantly motivate the business people to book hotel rooms for their stay which will eventually provide the organization with an opportunity to increase its revenues even in off-seasons.

## **Informing regarding the benefits associated with the organization**

Best Western intends to provide customers with the best services and benefits in the hospitality industry. In order to attract customers, the organization would provide them with all the information regarding the benefits associated with the organization in terms of quality, convenience, luxury and affordability. In addition, the complementary and other services provided to the customers would also be communicated to the target audience.

The communication objective would be to inform the customers regarding the benefits associated with the organization to further enhance the attraction of the organization.

## **Reminding the customers regarding the existence of the organization**

Continually reminding the target audience regarding the existing of Best Western is the most essential objective of the promotional campaign. If the organization fails to do so, it might have to face decline in occupancy rates which will eventually lead to decline in revenues of the business group. This is the prime reason that the organization should remind the customers regarding its existence.

The communication objective through the promotional campaign would be to aware the people in the market regarding the operations of Best Western International. As a result of such extensive promotional campaign, the organization would not only create space in the mind of the customers but



would also motivate the customers to prefer Best Western over other hotels in the hospitality industry.

### **Value-added services**

Through the development of smartphone applications, the organization would provide customers with services that they are continually looking for. For instance, the customers in the market are looking for applications that could provide them with an opportunity to reserve hotel rooms. The introduction of such application would significantly influence the customers to move towards the Best Western rather than moving away from the company.

### **The communication objective of the promotional campaign would be to help the customers evaluate the value-added services by the company.**

The implicit communication objective of the promotional strategy is to motivate the customers to appreciate the services offered by the company. This will eventually help in the enhancement of loyalty and relationship among the customers and the company.

### **Competitors in the Market**

The competitors that could negatively impact the performance of Best Western International in attracting the business people in the market are as follows;

## **Marriott Hotel**

Marriott hotel has become one of the world's leading lodging companies having more than 3, 700 properties in 74 different locations of the world. The relentless focus on innovation has fueled the growth of the company to become the most powerful brand in the world (Marriott International, 2013a). With the passage of time, the company has established 16 brands in almost every part of the world. Some of the prominent brands are;

In addition, Marriott hotel operates almost in every destination as Best Western International. Some of the destinations where Marriott hotels can be found are;

- Africa
- Asia
- Australia and Pacific Island
- Canada
- Caribbean
- Central America
- Europe
- Mexico
- Middle East
- South America
- United States (Marriott International, 2013b)

## **Concorde Hotels**

Concorde hotels are located at the heart of almost every commercial and strategic city. In addition, these hotels could be located near the

international airport of Singapore and Malaysia. The provision of premium accommodation and wide dining options to the customers, the organization has made a prominent place in their heart (Concorde Hotels, 2013).

Concorde hotels work under the supervision of HPL Hotel and Resorts. Other prominent brands include Hard Rock Hotel in Bali, Pattaya and Penang, and the Boutique Collection. The lists of countries where Concorde Hotels could be found are;

- Czech Republic
- Egypt
- France
- Germany
- Japan
- Spain
- Sweden
- Switzerland
- United Kingdom (Fresh Hotels Search, 2012a)

## **Destination Hotels and Resorts**

Destination hotels and resorts are also direct competitors of Best Western International. With the exceptional collection of hotels and resorts in the nation, the organization is provided with an opportunity to highlight the very best of each region and every time of year (Destination Hotels & Resorts, Inc, 2013).

## **The destination hotels and resorts could be located in USA. Some of the prominent locations include;**

- Arizona
- California
- Hawaii
- New York
- Texas
- Washington D. C (Fresh Hotels Search, 2012b)

## **Type of Communication Channels**

Communication plays an effective role in the promotion campaign. For the promotional campaign to be success, the organization must consider the use of following communication channels;

### **Broadcast channel**

Broadcast channel is used for broad coverage so that the message could be communicated to a large number of target audience at the same time.

Although, this channel has been taken over by internet but still this channel could be used to communicate the message effectively to the business people.

This communication channel should be taken into consideration to be used for the promotional campaign from start till the very end. The use of TVC (television commercial) could significantly enhance the awareness level of the target audience and the message would be quickly and effectively delivered to the potential customers.

## **Print channel**

Print channels could also play an effective role in the success of the promotional campaign. The reliance on print channel in the promotional campaign would be significantly less due to the rising interest of individuals towards the internet (Godfrey, 2012). But still, this communication channel can play a dominant role in attracting the customers through information regarding the services and benefits provided by the Best Western International. This channel should be taken into account at the beginning of the promotional campaign.

## **Internet as a communication channel**

The advancement in technology has provided internet with a variety of benefits and competitive advantages over other communication channels (Reid, & Bojanic, 2009). Through social networking websites (such as Facebook, Twitter and Pinterest) Best Western could be provided with an opportunity to effectively communicate and inform the customers regarding the upcoming events and discounts. Through constant information provided to the customers, the possibility to gain acceptance of the potential customers would significantly increase. Being an effective and cost efficient communication, internet would be used throughout the promotional campaign with continuous changes in the budget.

## **SMS Marketing**

SMS marketing would also be used by the Best Western International to attract and influence the potential and actual customers from time to time. Through SMS, the customers would be provided with regular information

regarding the organization. In addition, this communication channel would also be used to inform the customer regarding the successful reservation of room to gain customer's acceptance and significant increase in the motivation level. This communication channel will also be used throughout the promotional campaign.

## **Measurement of Promotional Campaign Result**

The measurement of a promotional campaign result is one of the dominant aspects in the evaluation of success or failure of the campaign. To evaluate the promotional campaign result, key performance indicators would be used. Key Performance Indicators (KPIs) would help in the understanding of how well the promotional campaign is doing in relation to the strategic goals and objectives (Morrison, 1996). Some of the KPIs that could be used to prove the success of promotional campaigns are as follows;

### **Occupancy rate**

Occupancy rate can significantly help in the measurement of a promotional campaign result. If the occupancy rate of the customers increases, this would reflect that the promotional campaign was successful in the accomplishment of result. The changes in the occupancy rate can be measured by comparing the weekly, monthly, quarterly and yearly occupancy rate with the previous year (Brotherton, 2012).

### **Site traffic**

The number of customers visiting the corporate website could help in the evaluation of a promotional campaign. For instance, if the site traffic

increases this would reflect that the promotional campaign was successful. Meanwhile, the reduction in site traffic would indicate failure.

## **Facebook, Twitter and Pinterest followers or fans**

Social networking sites would play a dominant role in the evaluation of a promotional campaign. Social networking websites such as Facebook, Twitter and Pinterest could help through the assessment of followers or fans along with the number of shares and likes.

## **Concern classification**

The more customers are concerned regarding the organization, the higher would be the success of the promotional campaign.

Budget for Promotional Campaign

Conclusion

Best Western International is one of the most prominent names in the lodging industry. In order to significantly increase the level of occupancy rates along with the revenues and size of the organization, Best Western would have to rely highly on the promotional campaign.

The promotional campaign of the organization would include the use of MMS and SMS marketing along with social networking websites, TVC (television commercial) and mobile application. The selected target audience for the promotional campaign would be the business people that frequently travel from one destination to another and are in constant search of accommodation. As these young individuals have a lavish lifestyle and social status to protect, they would be willing to pay higher prices for quality accommodation. The communication channels that would be used to

enhance the possibility of attracting customers in the local and international market are broadcast, internet, SMS and print.

Measuring the performance of the promotional campaign is quite crucial as it would help in the evaluation of success and failure. The KPIs that would be established for the evaluation includes; changes in the occupancy rate, changes in the site traffic, number of followers and fans of social networking sites, and concern classification.

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