

# Marketing in hospitality management

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



It is very important for any hospitality organization to communicate to its current and excellent potential customers. Let them know about the organization's new promotions and offers. Inconsequently, an organization should have a unique marketing strategy that could potentially set them apart from their competitors, which can be based on its pricing, investigate the key component of marketing in UK hospitality industry. This report starts by defining the terms "Marketing" from different angles, it also discusses macro & micro environmental influences in hospitality marketing, hospitality marketing mix, market segment etc.

Further, this report analyzes the marketing strategies followed by EAT, a leading sandwich shop in the UK. Key words: Need, want & demand, product marketing vs. services marketing, marketing mix, consumer purchasing behavior. SWOT & PESTLE analysis. Table of contents: Table of Contents. Hospitality marketing is different than other types of industry as it deals with not only tangible products, a bed in a hotel or foods in the restaurant, but also deals with the intangible aspects of hospitality, like serving foods.

The success of any hospitality organization mostly depends on the proper efforts on the marketing which promotes both products and services to fulfill the demands of the consumers at the same time. The integration of three main aspects of hospitality marketing can help an organization to be unique from their competitors. These are, Service Marketing, which includes understanding the core concept of marketing and the difference between services and product marketing. Marketing Plan, which includes Macro and Micro environment of the hospitality marketing.

Marketing mix & Electronic Marketing, which include, marketing activities done by internet and 1. 2 Marketing concept: Different philosophers defined marketing in different ways. Earlier Marketing used to be defined based on the mutual transaction, according to Kettle, (2010), " Marketing is the meeting people's needs and wants through mutual exchange of products and arrives using monetary system". Kettle originally suggested that this process of exchanges know as " transaction marketing". Earlier definition of marketing had been criticized and evolved relationship marketing as transactional focus helps to generate sales only.

Further, Chartered institute of marketing, 1976 and American institute of marketing association, 2007, proposed that " Marketing is a management process aimed at delivering customer satisfaction". However, Pines & Gilmore,(1999) claims that, " only satisfying customer is no longer enough in competitive business environment, companies compete by " creating memorable experience" to " wow' customers to generate positive words of mouth to build repeated and recommended business". And memorable experience comes when every demands of customers A memorable experience of a product or services of an organization comes from four levels I. . Basic, expected, desirable, to ultimately the unanticipated, Albrecht, (1992). See figure 1. 1 Figure 1. 1 The hierarchy of customer value Analyzing above all the philosophies and definition of marketing it is worthy to say the management of demands of the market is the central purpose of promoting racking theory and practice and this theory of marketing comes from Kettle(1999), where he stated that, " Marketing central purpose is demand

management, and marketers need to manage the level, timing and the composition of demand".

This definition of marketing is more suitable compared to others because it explains what marketers do and when they do it in certain times, Bowie and Bottle, (2011). Another important point of marketing concept is good marketers focus on creating value to customers and satisfying their need better than their competitors instead of generating profit also the involvement of all employees from all levels of the organization need to be integrated to fulfill their customer's interests. It is also important that inappropriate process of marketing will not bring anything good for the organization, Kettle, P. Bowen, J. & Makers, J. (2006). Figure 1. 2 summarizes this concept. Profitability Figure 1. 2 Marketing concept Integrated marketing customer's needs & wants Source: Google image 1. 3 Needs, Wants and Demand: Needs, Wants and Demand are closely related to each others. According to Kettle, shelter. And Wants are specific satisfiers of needs. Human needs are infinite and Demands are wants for specific products that are backed by an ability and illnesses to buy them". For example, education is human needs but willing to study in Cambridge is want and when this want often are fulfilled than it becomes Demand. . 4 Product marketing vs. service marketing: Marketing process is all about satisfying customer's demands and these demands can be both product (objective, devices, or things) and/ or services (action, performances, or experiences). Earlier marketers used to focus on marketing physical products only but now because of high interest on services, selling service has been an potential marketing sector. For instance, in Australia, Norway, Canada, France, Japan and United Kingdom,

60% of total GAP comes from services sectors. And in Hong Kong it is around 85%, Hoffman, K. Battens, J. (1997). Most of the hospitality organization provides both services and products, for example food is tangible and dining out for the customer is an experience/performance. To run an organization successfully it is very important to have different marketing approach to market a product or service as four unique characteristics of services keeps it apart from products. (see figure 1. 3). Table 1 explains how service marketing are different from product marketing. Figure 1.

Characteristic of service Source: Hoffman, K. & Battens, J. 1997). Table 1

Characteristic of Hospitality Marketing	Service characteristic	Meaning
Example Intangibility	Not perceivable before purchase	It is not possible for customer to Judge their meals before they taste the food and experience the services.
Inseparability	Other customers can be influenced by the presence of loud customers in a restaurant.	
Variability	Quality of services of a same hospitality organization may vary for different time, location & provider	
Quality of services provided by EAT.	In Liverpool may vary from Oxford	
Perish ability		

Services are not long lasting or short lasting, it can not be stocked for future sells or uses Unsold room of a hotel can not be saved for tomorrow. 1. 5

Customer satisfaction and retention: Though the customer satisfaction and retention are very close to each other but still they are not interlinked.

Customer satisfaction is the scale of how well an organization's products or services, support and communication are able to meet the customer's expectations, organization or on the other hand, customer retention is how well a customer stays with the organization or a specific product or services,

Bowie & Butte, (2011). The state of retention comes from satisfied customers but in organization it is also found that a satisfied customer but not retained yet because that particular customer is looking for something new or better one in future though he/she is satisfied now, on the other hand a dissatisfied can be retained because of long term contract or the supply of goods or services are less than the demand in the market, Bowie & Bottle, (2011).

Analyzing the customer's behavioral process it is seen that, it costs five times or more to attract a new customer than retaining existing customers, (Bowie & Bottle, 2011, p- 354) that is why marketers always struggle to retain customer than attracting new one. 2. 1 Environmental influences on the I-J hospitality marketing: To understand the changes in the business environment, marketers need to focus on the internal and external factors that influence the business environment . In this report, EAT, a sandwich chain shop is taken to analyze these factors.

Source: eat. Co. UK Figure 1. 4 EAT outlet Having a vision of number one sandwich chain in the UK EAT has developed their marketing strategies analyzing Macro & Micro environment of the hospitality industry n the I-J. According to Kettle, (1998), " PESTLE is useful strategic tool to understand market growth or decline, business position, potential and direction for operation". See figure 1. 4 Genetically Modified (MM) food has become an issue for the fast food industry in the I-J since April 2004 as new rule came into enforce regarding GM leveling food.

It is customer's right to know if any ingredient is used which are genetically modified, (legislation. Gob. UK). As people now -a-days more health

conscious, scientist argument on it may have adverse affect on food industry in the I-J. And EAT. Is no exception. However, environmental secretary claims that the crops are safe to human body, Polluter,(2013). An increased regulation on fast food market already affected the market and may affect in the future as well.

For instance, SST ( Goods & Service Tax) which is responsible for the in the change of price of fast food products in recent years while other foods remained unchanged,(www. Gob. UK) therefore, sandwich outlets like EAT emphasizing on proving extraordinary service so that consumers feel a great difference eating between home and fast food shop. Economical factors: Purchasing power of people has a great impact on any kind of business specially in al hospitality industry because low earning people hardly go to fine dining rather they choose fast food or sandwich shop.

EAT as a sandwich restaurant hardly face bad economical influence as the price of their product are in range of in compared to fine dining, other restaurant and other sandwich, fast food shop. The present economical condition of the I-J is much more better than last couple of years. According to the national statistics, " number of unemployment dropped by 63, 000 to 2. 33 million in the three months to January- a rate of 7. % while 1. 17 million people were signing on for Jobsharers allowance last month, a fall of 34, 000. In addition to this, the GAP growth increased by 2. % which was reckoned 1. 8% and earning power increased by 1. 4% and the number of unemployment of fell by 8. 2% in London . ( ref, news paper ) analyzing all this data it is reckoned by analyst that UK hospitality industry aging getting boomed after

the recession happened in 2009, Evening standard, (2014) A slide increase on gas may have impact on pricing of product but in compared to others good news it shouldn't influence the customer purchasing behavior.

Technological factors: Touch screen technology has a great impact on restaurant, fast food & sandwich shop marketing (Cole, 2008).

The technology is called " interactive ordering system". This system allows customers to order food&drinks without the servers. Restaurants like, Amino and The Chin Chin Laboratories and their nitrogen ice cream, (amino-restaurant. Com). About 46% of adult of the UK have a likelihood of using this system at the restaurant. Social/ cultural factors: People are now more health conscious than before, due to this trend in the life-style of UK people now sandwich shop like EAT. Emphasizing on gluten free food and providing nutrition information of their food items on print.

In addition to this, understanding the customer culture of Muslim region, they sell HALL meat in their burgers. Environmental factors: For the increase of global warming issue, many industry tends to consider the " Go everyday tons of foods being waste which has a bad impact on environment, considering this bad impact EAT donate their unsold food to the charity. 2. 2 SOOT: EAT SOOT analysts 2013 Strengths Weaknesses 1. A range of subs customization 2. Largest sandwich shop chain in the UK by the number of outlets 3. Unique Marketing and promotional strategies