

Marketing mini stories

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Several years ago I had a friend who worked for a Hilton hotel. At the time, fitness and low calorie or high protein meals were popular trends and a concern of travelers. Hilton, as well as other hotel chains, produced a marketing concept to address the needs of guests traveling for business by ensuring that each franchise provided a “ fitness kit” which could be delivered up to a guestroom. Developed by Bally Total Fitness, it contained a yoga mat, hand weights, and an exercise band.

Or, if the guest requested it, a treadmill could be delivered for use in the guestroom. The food & beverage outlets in each franchise hotel also had to undergo a change of menu to accommodate this marketing concept. The Hilton Eat Right program required low-fat and low-calorie meals such as seared tuna with a salad be added to the menu. My friend wasn't too happy about having to provide these extra services, but guests of the hotel seemed to like it.

I ate dinner in a rather upscale restaurant recently. Since I've worked in a restaurant before, I tend to notice the little things on the table that other patrons might ignore. At this restaurant, the table was set with linen napkins, and nice silverware, the usual condiments, etc. and in the middle of the table was a tent card advertising the “ wine of the month”, which was a Kendall-Jackson Chardonnay. Knowing how distribution channels in the food & beverage industry work, I immediately surmised the tent card was the result of promotions from a marketing intermediary.

The alcohol wholesaler buys directly from the manufacturer, such as Kendall-Jackson, and then markets the product to the retailer, in this case the

restaurant. The restaurant itself was also functioning as a marketing intermediary by placing the tent cards on the table and incentivizing servers to offer their “ wine of the month”, which was probably purchased at a reduced price.

The last time I moved to a new house, some of the items I needed to consider buying were cable television, telephone service and the access to the Internet through an Internet service provider. While my choice of company was limited, I realized that all companies advertising such items had begun to take a systems selling approach to offering packaged services.

For instance, Qwest, traditionally known as the provider of telephone service, has branched out to include Internet access as well as teamed up with DirecTV for satellite television service. By using systems selling, Qwest has greatly increased its income potential. By partnering with DirecTV, Qwest does not need to produce the components for satellite television themselves, but can rely on its partner for inventory control and production. Since most customers wish to purchase all these items, especially when moving to a new location, the decision to package them all together makes perfect sense and the bundled price appealed to me.

My friend that worked at the Hilton hotel made me aware of a fact I previously didn't know - hotels continually use marketing segmentation to keep their guestrooms full. After being informed of this approach, it made shopping for a hotel room for my last vacation a different sort of venture. Knowing that a resort hotel targets one market - leisure travelers - on the weekend and another market - business travelers - during the week when

occupancy levels are lower, I opted to plan my vacation over the course of a week rather than choose a weekend stay, when rates would be higher.

By using marketing segmentation, most hotels offers specific packages aimed at each different market. The resort hotel I chose last spring had a special midweek package consisting of the guestroom plus breakfast and two tickets to a local amusement park at an attractive price. By targeting my market segment of leisure travel during days when the hotel typically wouldn't be full, the hotel was able to gain revenue not normally expected.

When it comes to brand, McDonald's has this concept firmly in place. A friend and I went to McDonald's just last week to buy a quick lunch and we were inundated with their brand, image, and logo. The golden arches outside the place themselves are part of the brand and this symbol appears on everything – from the hamburger wrapper of the Big Mac I ordered, to the cup holding my soft drink, to the menu displayed behind the order counter. As well, brand is incorporated in more subtle ways.

The colors of yellow and red are seen throughout and many of the shapes inside the restaurant – from the seating to the kid's play area – are reminiscent of an “m”. After leaving McDonald's we stopped at a Dairy Queen to order ice cream for dessert. Walking into that restaurant made me even more aware of how pervasive McDonald's brand presence is; there is no way McDonald's products could be mistaken for those at Dairy Queen.

That same upscale restaurant I'd eaten dinner in recently had a section reserved for bar patrons. Since there was a bit of wait before my friend and I

could be seated, we passed the time at the bar having a beer and munching on a snack mix in a bowl on the table. It was really very tasty - a mix of crunchy squares and peanuts and spicy sesame pieces. I inquired of the bartender where I could purchase the same mix being served in the restaurant and he replied that it was available only wholesale.

If I wanted to buy some of the snack mix for myself, I would have to find someone who worked for a wholesaler to order it for me as it was not an item I could buy in a retail store. Of course this made sense - why would I want to return to the bar and sit there to munch on the snack mix if I could buy it and eat in the privacy of my own home?

Some time ago, I realized the value of public relations. As a consumer, it's sometimes not enough incentive to patronize a company that offers good products at a low price; sometimes it is also how the company responds to bad press that influences my buying decision. At the time I was living in a town with a Wal-Mart and not much else in the way of available stores.

There was a story I'd read in the newspaper regarding a customer of the local Wal-Mart who had gone into a rest room at the store and not come back out several hours later. The customer's wife was frantic with worry and she contacted the store to help her locate her husband. The man was found, dead as the result of complications from a medical condition, in the rest room stall after a search was performed. However, it was the direct result of Wal-Mart's ineffective public relations department that caused further problems as they refused to take any responsibility or even offer an apology to the customer's wife for the incident. Because Wal-Mart doesn't present a

caring attitude towards their customers, I will think twice before shopping there again.

E-marketing is big business these days. I happen to know an author who broke into the writing business as a result of her book being contracted with an e-publisher. Because she gets excited by this opportunity, I've often listened to her ideas for promotion, which include a great deal of e-marketing. According to my friend, these days, an author does not need to go to a bookstore and set up a book signing to promote her book, instead she can schedule a "virtual book tour" in which she makes appearances on several blog sites and answers questions about her and the book. Another form of e-marketing she uses is to be involved with readers' forums whereby she can promote her book by posting online excerpts and talking it up with readers. This type of marketing can also include personal pages on websites such as My Space and Facebook and results in the ability to market from her own home.

My mother is a big collector of Coca-Cola products. Her kitchen is filled with items bearing the Coca-Cola logo, in all its various forms – from dish towels to plates to banks, clocks, playing cards, etc. While some of the items are antiques, many of them were bought brand new from retail stores. It was when I was shopping for a Christmas present for my mother that I became aware of just how widely Coca-Cola products are licensed. Gibson is one manufacturer that is licensed to produce dishes and kitchen ware bearing the Coca-Cola logo, while additional companies are also allowed to produce different items, such as straw dispensers and napkin holders, with the

distinctive colors and logo. Through this wide distribution of licensing agreements, Coca-Cola has certainly increased revenues incrementally.

I watched the Super Bowl this year with a group of friends. Although I wasn't particularly interested in either team playing, I was interested in the advertising during commercial breaks. Having previously read some of the buzz surrounding the company Go Daddy, I was aware of its past troubles producing a commercial which would appease the television censors. Go Daddy's approach this year was an excellent example of innovative marketing. Not only does the company depend on the buzz from its commercials not being accepted by the censor boards, it decided this year to post the rejected commercial on its website.

The Super Bowl commercial itself was cheaply produced and directed watchers to log on to the Go Daddy website where they could watch the commercial that didn't make it to air time. This truly innovative marketing approach was so successful that it contributed to the down time of Internet services during the Super Bowl as consumers rushed to the website to view the commercial.