

 **Marketing Mix for Tourism and Hospitality**

SAS


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A company's success depends on the ability of the company in:

- responding to the changes in the environment,
- forecasting the direction and intensity of these changes
- Using the internal controllable resources (marketing mix) in adapting to the changes in the external environment.



Marketing mix : mixture of the controllable marketing variables that the firm uses TO PERSUADE the customers in the target market in order to secure SALES.

- Basically, the marketing mix variables are referred to as the **4Ps**: product, price place (distribution), and promotion,
- Traditional 4Ps extended to encompass growth of service industry → **7Ps** – Price, Product, Promotion, Place, People, Process, Physical Evidence/Environment





PRODUCT

Product covers the shape or form of what is offered to prospective customers. Product components include:

- **Basic design**, such as the size and facilities of a hotel.
- **Presentation**, which is mainly the atmosphere and environment created on the property.
- **The service element**, which includes the number, training, attitudes and appearance of the staff who deliver the product to the consumer.
- **Branding**, which identifies particular products with a unique name and image. In other words, is the synthesis of all product elements. So that, it is the focus of the promotional activity.



- The pricing policy that a business chooses is often a reflection of the **market** at which it is aiming.
- The right price set must take into account of **production costs**, **competitors' prices** and **consumers' purchase ability** and **demand level**.

PRICE

Price indicates that the published or negotiated terms of the **exchange transaction** for a product between a **producer** (who aim to achieve predetermined sales volume and revenue objectives) and **prospective customers** (who aim to maximize the value for money in choices they make between alternative products).

PRICE

Influences from the pricing factors

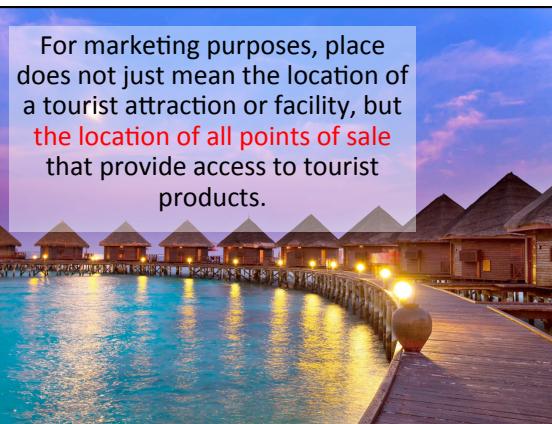
Factors	Influences on the price of a product
High production costs	High production costs would mean the high sale price for the goods supplied by sellers.
High customer demand	High customer demand will lead to the increased price of the goods or services. Suppliers are more willing to provide the goods or services as it is more profitable for them to supply.
Low prices charged by competitors	If the price of the substitute product offered by competitors decreases, the demand for a product will be decreased as well.

PLACE

Place refers to the means by which products can be **distributed** to the consumers. The product must get to the **right place at the right time**.

Decision making may be based on the following:

1. How the product is **distributed physically**, such as air, sea, rail, or road.
2. How the product is **sold**, such as through retailers, wholesalers, or direct mailing, etc.



PROMOTION

- Promotion refers to a **number of promotional methods**, such as advertising, sales promotion, competitions, and personal selling, etc.
- A business must choose a method of promotion which is the most effective in **its particular market** and for **its own product**.

PROMOTION

- The most visible of the four Ps is the promotion which includes **advertising, direct selling, sales promotion, direct promotion, public relations (PR)**.
- Promotional techniques, which will be examined in detail in the following chapters, are used to make **prospective customers aware of products** in order to **sharpen the attractiveness** and **stimulate demand**.
- In addition, they provide information to help customers decide, and generally provide incentives to purchase

Expanding the marketing mix



- The expanded marketing mix is offered by Booms and Bitner in the 1980s. They added;
 - **People**; participants in the service delivery
 - **Process**; of service delivery
 - **Physical evidence**; of service delivery
- There is overlap between them. In addition, they may be considered as part-product and part-communications mix.

PEOPLE



- Regarding travel and tourism products, there is substantial human interaction as part of the service experience. Participants include;
 - **Visitors**; interaction with other customers
 - **Employees**, front-line and support staff interact with visitors
 - **Host community**; residents of a destination country interact with visitors



PEOPLE

- The attitudes of staff
- Training of staff
- Internal relations
- The observable behaviour of staff
- The level of service-mindedness in the organisation
- The consistency of appearance of staff
- The accessibility of people
- Customer-customer contacts



6. The service delivery / PROCESS

- The travel and tourism experience includes both **process** and **outcome**.
- Consumers move through a series of service delivery encounters during their experience.



PROCESS



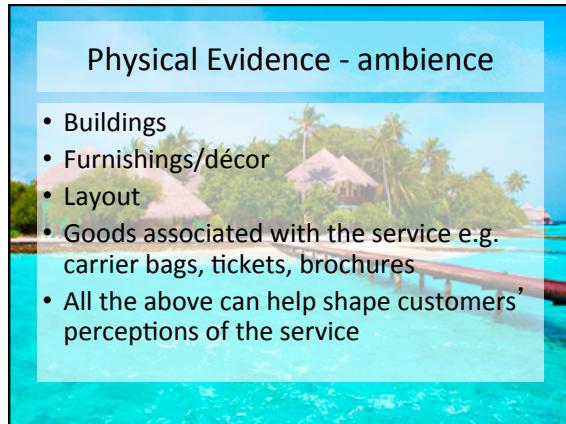
- The manner in which the service is delivered
- Degree of customer contact
- Quality control standards
- Quality assurance
- Payment methods (degree of convenience)
- Queuing systems for customers
- Waiting times
- Moment of Truth
- Service recovery system

7. Physical evidence and design

The “environment” or atmosphere in which the service is delivered

- Refers to the **internal and external design** of the built environment of the travel organization.
- Due to **inseparability**, physical setting in the service delivery process is an **important part of the visitors' experience**.
- In relation with **intangibility**, it is used to **tangibilize the offer**, especially important at the point of sale to influence purchase.

Physical Evidence - ambience



- Buildings
- Furnishings/décor
- Layout
- Goods associated with the service e.g. carrier bags, tickets, brochures
- All the above can help shape customers' perceptions of the service

 **Factors for making choices of marketing mix:**

1. The **type of product** sold,
2. The **market** sold to,
3. The **degree of competition**,
4. The **position of the business** in the industry,
5. The stage of **product life cycle** in which a product is

 **Useful Links and Sources**

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