



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

- responding 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 **4 Ps: 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.

MALAYSIA AND INDONESIA



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



12 Incredibly Cool Hotel Rooms You've Never Seen



## 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.



BOOK on TripAdvisor



For marketing purposes, place does not just mean the location of a tourist attraction or facility, but **the location of all points of sale** that provide access to tourist products.



## 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



Trump International Hotel & Tower Vancouver\_  
The New Twist on Luxury




## 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

 Latest Rajasthan Tourism Anthem Music Video AD Mati Mange Pajani

 **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

 IHG 2014 Trends Report - Creating moments of trust

**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



 MALDIVES

 VIRTUAL REALITY

 **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