

# Chapter 9

## Hospitality Marketing: Strategic Issues

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### **ABSTRACT**

*The main task of the hospitality marketing is to influence demand marketing for the organization's products and services. To understand consumers and customers and it increase the volume of transactions bed nights, covers served, number of passengers. It increase the value of transactions improving the average achieved room rates, the average spend per head, the average price for holiday and increase both the volume and the value of transactions (but normally there is a trade-off between increasing the volume sales and increasing the achieved spend).*

### **CHAPTER OBJECTIVES**

After working through this chapter, you should be able to:

- Define key marketing terms and understand the 'marketing concept'.
- Describe major environmental influences which impact on hospitality customers and organizations.
- Explain the special characteristics of service businesses to which marketers need to respond.
- Identify the eight elements of the hospitality marketing mix and life cycle.

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## **CASE STUDY: TRAVEL INN- AN INTEGRATED APPROACH TO MARKETING**

In the 1980s, market demand for better quality low-cost accommodation in the UK grew significantly and Travelodge (the original developer of the concept) expanded rapidly. In 1987, Whitbread developed a competitor concept, called Travel Inn, which imitated the market leader in most aspects. Whitbread franchised the new brand to five of their company owned restaurant/pub chains, such as Beefeater. Despite intense competition from Days Inn, Express by Holiday Inn, and Accor, Travel Inn overtook Travelodge after ten years. With a marketing objective ‘to be the customer’s first choice’ in the budget market, the Travel Inn brand team – who had complete control of all elements of the marketing mix focused on setting and maintaining consistent brand standards. Properties that failed the brand standard’s inspections were de-branded. The marketing mix comprised:

- **Product:** Low-cost, mid-market accommodation standards, with factory built standardized bedrooms, which are easy to install on site. Each room is refurbished on a regular cycle depending upon occupancy rates the objective is that old rooms look as good as new rooms, and the product offer is consistent throughout the chain.
- **Location:** There are three types of location. The core product units, called Travel Inns, are located on major roads and motorways; then there are units located in provincial cities and towns called Travel Inn Metro, and finally units located in London called Travel Inn Capital. All units are located adjacent to Whitbread-owned restaurants and inns.
- **Price:** Each brand has one single price structure, and there are no discounts.
- **Distribution:** Travel Inn operates a computerized reservation system, with links from its website and a telesales call center. Although intermediaries like travel agents can book rooms, they do not receive any commission.
- **Marketing Communication:** A major investment in branding, with standardized material, a new logo, and a £20 million television and radio advertising campaign over four years, promoted the key message ‘a good night’s sleep’.
- **Physical Evidence:** The external signage was changed to incorporate the new logo, and the internal maintenance program is designed to keep product standards consistent.
- **Process:** Travel Inn is a simple product, with minimum service levels (only reception and housekeeping); customers who want to eat visit the Whitbread restaurant or pub next door. The focus is on easy-to-use operating systems.

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