MARKETING LESSON 1&2

What is Marketing?

- Creating, communicating, and delivering value to customers
- Focus: Understanding needs and wants of travelers & guests.
- In Hospitality & Tourism: Marketing is creating experiences, not just selling products.

ELEMENTS OF MARKETING MIX

- Product
- Price
- Promotion
- Place
- Packaging
- Positioning
- People

CORE MARKETING CONCEPTS

a. **Needs**
- These include the basic physical needs, social needs, and esteem needs.

b. **Wants**
- How people communicate their need
- The form human needs take as they shaped by culture and individual personality

c. **Demands**
- People have unlimited wants but limited resources. They choose products that produce the most satisfaction for their money. When backed by buying power' wants become demand.

Products

- A product is anything that can be offered to a market for attention, acquisition, use, or consumption and that might satisfy a need or want. The concept of product is not limited to physical objects. Anything capable of satisfying a need can be called a product. More broadly defined, product also incudes such other entities as experiences, persons, places, organization, information, and ideas.

VALUE, SATISFACTION, AND QUALITY

Consumers usually face a broad array of products and services that might satisfy given need. How do they choose among these products and services? Consumers make buying choices based on their perception of value that various products and services deliver.

Value – is the consumer's estimate if the product's overall capacity to satisfy his or her needs.

Customer Satisfaction – Satisfaction with a product is determined by how well the product meets the customer's expectation for that product.

Quality – the totality of features and characteristics of a product that bear on its ability movements has become the total satisfaction.

EXCHANGE, TRANSACTIONS, AND RELATIONSHIPS

a. Exchange

- Exchange is the art of obtaining a desired object from someone by offering something in return.

b. Transactions

- A transaction is marketing unit of measurement. A transaction is consisting of trade of values between two parties.

c. Relationship marketing

- Relationship marketing focuses on building a relationship with company's profitable customers. Most companies are finding that they earn a higher return from resources invested in getting repeat sales from a current customer than from money spent to attract new customers.

Market - A market is a set of actual potential buyers who might transact with a seller.

SCOPE OF MARKETING IN TOURISM & HOSPITALITY

- **Tourism Marketing:** Promoting destinations, attractions, events.
- **Hospitality Marketing:** Hotels, resorts, restaurants, cruises.
- **Services Marketing:** Intangible, perishable, inseparable, variable.

ROLE OF MARKETING IN HOSPITALITY INDUSTRY

- **Customer-Centric Approach** – building guest satisfaction & loyalty.
- **Competitive Advantage** – differentiating services in a crowded market.
- **Revenue Generation** – filling rooms, increasing occupancy, upselling.
- **Brand Building** – reputation & image

UNIQUE FEATURES OF TOURISM & HOSPITALITY MARKETING

- Intangibility of services (experience cannot be tested before use).
- Seasonality and demand fluctuations.
- High customer involvement in decision-making.
- Word-of-mouth and online reviews as key influencers.

EXAMPLE CASE

Example:

- A hotel launches a weekend family promo to target local travelers during low season.
- Application: Customer research → Promotion strategy → Guest experience feedback.

MARKETING ENVIRONMENT

Marketing decisions are influenced by Internal & External factors.

- **Internal Factors:** Company resources, staff, service quality, pricing, management.
- **External Factors:** Competitors, technology, economy, socio-cultural changes, government regulations.

INTERNAL ENVIRONMENT

- Service culture of the hotel/restaurant.
- Employee skills and training.
- Innovation and adaptability of management.

Example: A hotel with a strong CRM system.

EXTERNAL ENVIRONMENT

Economic: Recessions, disposable income of travelers.

Political/Legal: Travel restrictions, visa rules, safety regulations.

Technological: Online booking platforms, AI chatbots, mobile apps.

Sociocultural: Shifts in traveler preferences (eco-tourism, wellness travel).

Competition: Traditional hotels vs. Airbnb**.**

CURRENT MARKETING TRENDS IN TOURISM & HOSPITALITY

- Digital Marketing (social media, influencers).
- Sustainable & Responsible Tourism.
- Experiential Travel (unique cultural/culinary adventures).
- Personalization using Data & AI.
- Contactless Technology (QR menus, mobile check-in).

SUMMARY

- Marketing in hospitality = creating value through experiences.
- Scope: **Tourism destinations + Hospitality services.**
- Influenced by **internal & external environments.**
- Trends: **Digital, sustainable, personalized, tech-driven**.

UMBRELLA – TOURISM

- serves as a broad conceptual metaphor representing the wide-ranging scope of travel, lodging, and guest services

PINEAPPLE – HOSPITALITY

- is a timeless symbol of welcome, high status, and warm generosity

LESSON 3: CONSUMER MARKETS & CONSUMER BUYING BEHAVIOR

FIVE PREMISES OF CONSUMER BEHAVIOR

- **Premise 1:** Consumer behavior is purposeful and goal oriented, what looks like irrational behavior to a manager is completely rational to a consumer.
- **Premise 2:** The consumer has free choice. Consumers do not have to pay attention to your marketing communications. Messages are processed selectively.
- **Premise 3:** Consumer behavior is a process. Marketers need to understand the process.
- **Premise 4:** Consumer behavior can be influenced. By understanding the purchase decision process and the influences on this process, marketers can influence how consumers behave.
- **Premise 5:** There is a need for consumer education. Consumers may act against their own interests because of a lack of knowledge.

THE FOUR TYPES OF CONSUMER BUYING BEHAVIOR

1. Routine Response/Programmed Behavior – buying low involvement frequently purchased low cost items; need very little search and decision effort; purchased almost automatically. Examples include soft drinks, snack foods, milk, etc.

2. Limited Decision Making – buying product occasionally. When you need to obtain information about unfamiliar brand in a familiar product category, perhaps. Requires a moderate amount of time for information gathering.

3. Extensive Decision Making/Complex high involvement, unfamiliar, expensive and/or infrequently bought products. High degree of economic/ performance, psychological risk. Example include cars, homes, computers, education, spend a lot of time seeking information and deciding. Information from the companies; friends and relatives, store personnel, etc. Go through all six stages of the buying process.

4. Impulsive buying, no conscious planning.

PERSONAL CHARACTERISTICS AFFECTING CONSUMER BEHAVIOR

1. CULTURAL FACTORS

- Culture is the most basic determinant of a person's wants and behavior. It comprises the basic values, perceptions, wants and behaviors that a person learns continuously in a society.

2. SOCIAL FACTORS

a. Groups

- People who share interest, behavior and attitudes.

b. Family

- Remains the most important consumer buying organization.
- Family members have a strong influence on buyer behavior.

c. Roles and Status

- **Role –** Consists of the activities that a person is expected to perform according to the person around him or her. E.g. son, daughter, wife or husband, manager or worker.
- **Status –** Reflects the general esteem given to it by the society. People often choose products that show their status in society.

3. PERSONAL FACTORS

a. Age and Life Cycles Stages - The types of goods and services people buy change during their lifetimes. Preferences for leisure activities, travel destinations, food and entertainment are often age related.

b. Occupation - A person's occupation affects the goods and services bought.

c. Economic Situation - A person's economic situation greatly affects products choice and the decision to purchase a particular product. Consumers cut back on restaurant meals, entertainment and vacations during recessions. They trade down in their choice of restaurants and/or menu items and eat out less frequently, looking for a coupon or deal when they go out.

4. Psychological Factors

a. Motivation - A need becomes a motive when it is aroused to a sufficient level of intensity. Creating a tension state causes a person to act to release the tension.

Maslow's Theory of Motivation – According to Abraham Maslow, human needs is arranged in hierarch, from the most pressing to the least pressing. A person tries to satisfy the most important need first. When that important need is satisfied, it will stop being a motivator and the person will then try to satisfy the next most important need

b. Perception - Perception is the process by which a person selects organizes and interprets information to create a meaningful picture of the world. Two people with same motivation may act quite differently based on how they perceive conditions.

c. Learning - Learning describes changes in a person's behavior arising from experience. When consumers experience a product, they learn about it.

d. Beliefs and Attitudes - A belief is a descriptive thought that a person holds about something. An attitude describes a person's relatively consistent evaluations, feelings and tendencies toward an object or an idea.

BUYER DECISION PROCESS

1. Problem/Need Recognition

- The buying process starts when the buyer recognizes a problem or need.

2. Information Search

- An aroused consumer may or may not search for more information. How much searching a consumer does will depend on the strength of the drive, the amount of the initial information, the ease of obtaining more information, the value placed on additional information and the satisfaction one gets from searching.

3. Evaluation of Alternatives

- Unfortunately, there is no simple and single evaluation process used by all the consumer or even by on consumer in all buying situations. There are several evaluation processes.

4. Purchase Decision

- In the evaluation stage, the consumer ranks brand in the choice set and forms purchase intentions. Generally, the consumer will buy the most preferred brand.

5. Post Purchase Behavior

- The marketer's job does not end when the customer buys a product. Following a purchase, the consumer will be satisfied or dissatisfied and will engage in post purchase actions of significant interest to the marketer.

- **GNLM**