

Marketing for Hospitality and Tourism

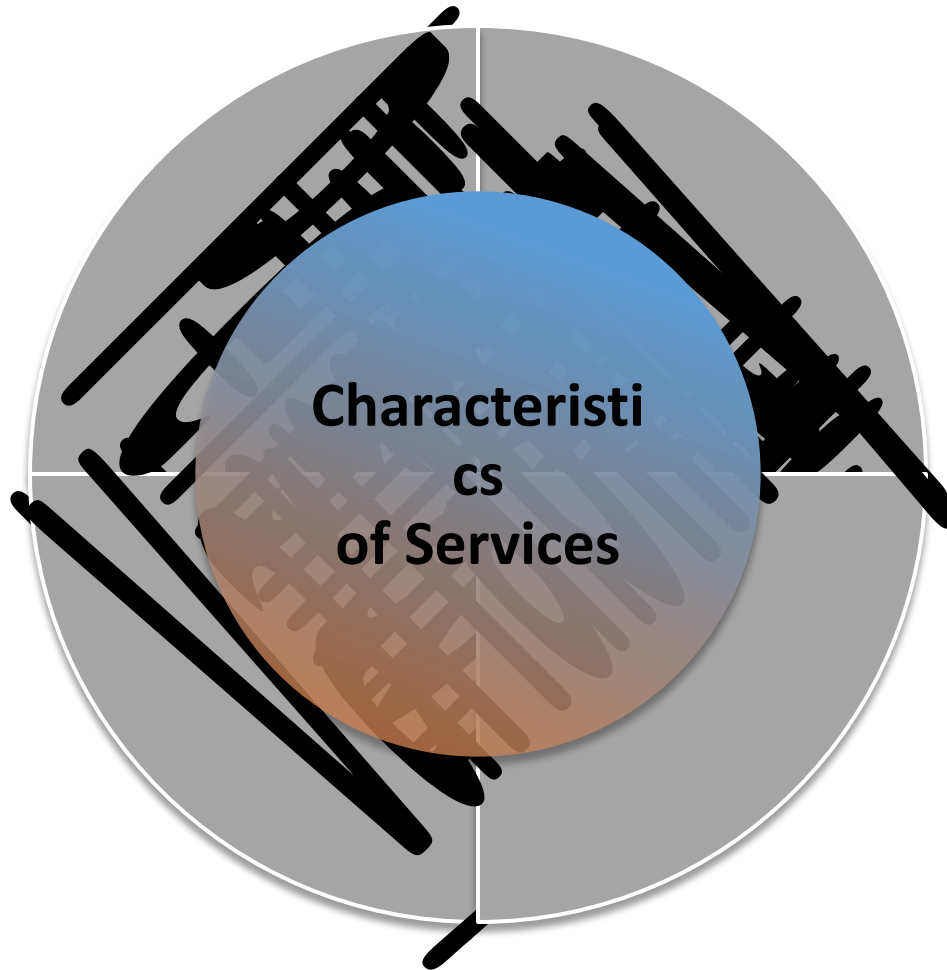
Kotler, Bowen and Makens

Service Characteristics of Hospitality and Tourism
Marketing
Chapter 2

Learning Objectives

1. Describe a **service** culture.
2. Identify four **service characteristics** that affect the marketing of a hospitality or travel product.
3. Explain seven **marketing strategies** for service businesses

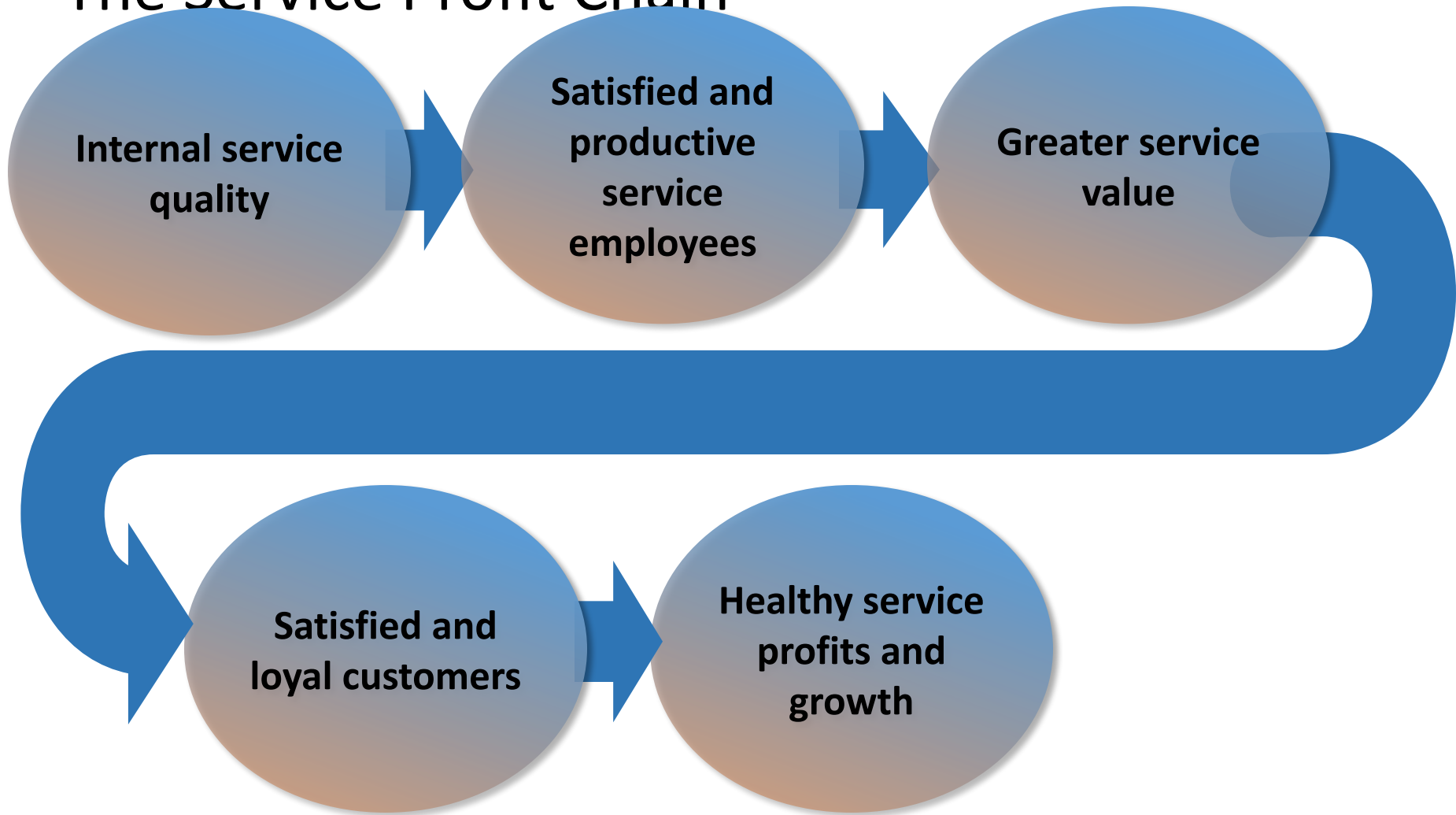
Characteristics of Service Marketing



Steps to Reduce Variability



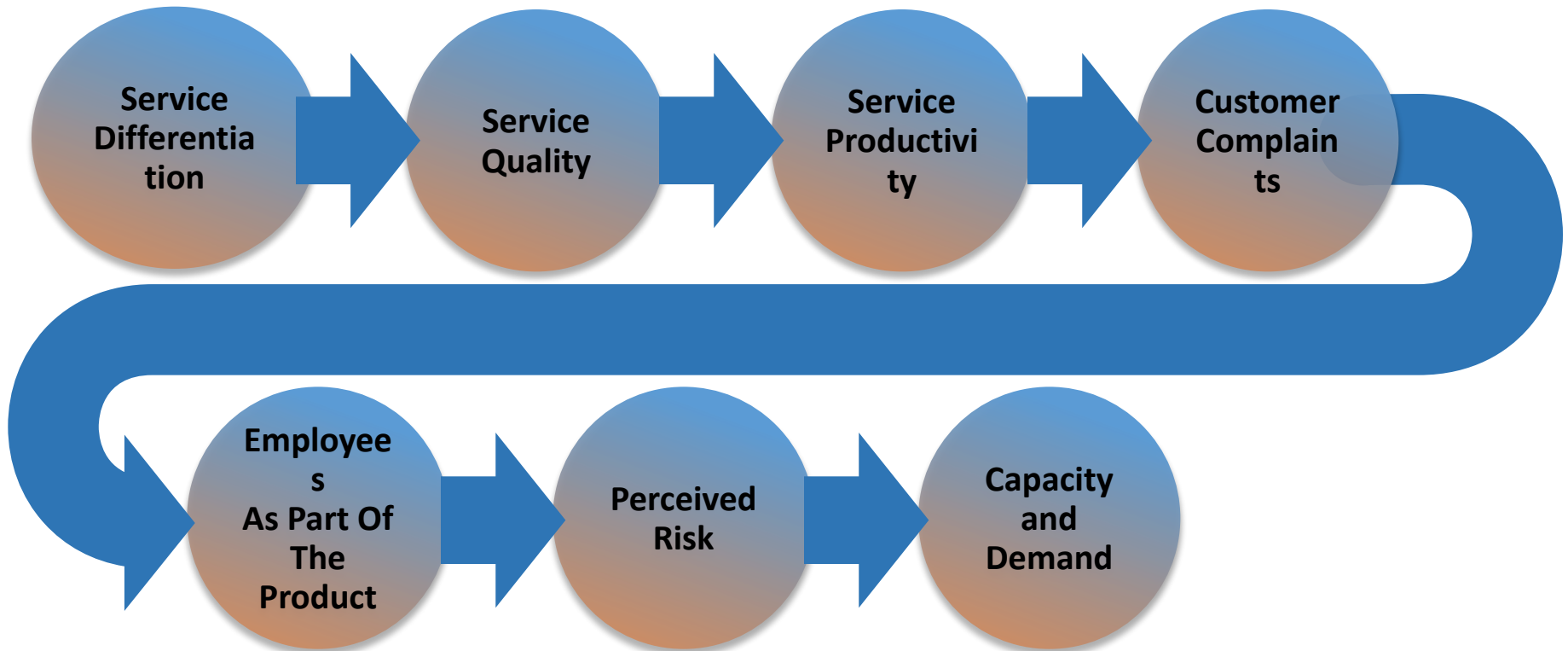
The Service Profit Chain



Types of Marketing



Marketing Strategies



Recommendations for Improving Service Quality

1. Listening
2. Reliability
3. Basic service
4. Service design
5. Recovery
6. Surprising customers
7. Fair play
8. Teamwork
9. Employee research
10. Servant leadership

Capacity Management

Involve the Customer in the Service Delivery System

Cross-Train Employees

Use Part-Time Employees

Rent or Share Extra Facilities and Equipment

Schedule Downtime During Periods of Low Demand

Change the Service Delivery System

Demand Management

Use Price to Create or Reduce Demand

Use Reservations

Overbook

Revenue Management

Use Queuing

Shift Demand

Create Promotional Events

Tips for Managing Waiting Lines

1. Unoccupied time feels longer than occupied time
2. Unfair waits are longer than equitable waits
3. Uncertain Waits Are Longer than Known, Finite Waits

Key Terms

Interactive marketing Marketing by a service firm that recognizes perceived service quality depends heavily on the quality of the buyer–seller interaction.

Internal marketing Marketing by a service firm to train effectively and motivate its customer-contact employees and all the supporting service people to work as a team to provide customer satisfaction.

Organization image The way a person or group views an organization.

Physical evidence Tangible clues such as promotional material, employees of the firm, and the physical environment of the firm. Physical evidence is used by a service firm to make its product more tangible to customers.

Revenue management A pricing method using price as a means of matching demand with capacity.

Service culture definition to look like this. Definition to look like this.

Key Terms (cont.)

Service inseparability A major characteristic of services; they are produced and consumed at the same time and cannot be separated from their providers, whether the providers are people or machines.

Service intangibility A major characteristic of services; they cannot be seen, tasted, felt, heard, or smelled before they are bought.

Service perishability A major characteristic of services; they cannot be stored for later use.

Service-profit chain A model that shows the relationships between employee satisfaction, customer satisfaction, customer retention, value creation, and profitability.

Service variability A major characteristic of services; their quality may vary greatly, depending on who provides them and when, where, and how they are provided.