

# **Marketing for Hospitality and Tourism**

Kotler, Bowen and Makens

Introduction: Marketing for Hospitality and Tourism  
Chapter 1

# Whoa!

Who is going to teach you?  
Fortunately or Unfortunately it's ME.



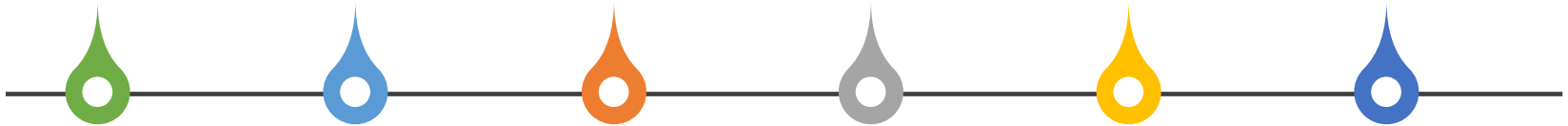
# Info you may find interesting

**Education**  
- South Korea:  
Sejong University.  
-Turkey :  
internship  
--SamSifl.

**Travel**  
Turkey, Russia,  
Tajikistan, South  
Korea

**P.L**  
-Married  
- Have a sons  
Philosophy in life  
“...”

**Interesting Fact**  
-Hate Procrastination  
- Love chocolates  
- Collect books  
- SAY NO TO  
BRIBERY



# Learning Objectives

1. Understand the relationships between the world's **hospitality and travel industry**.
2. Define marketing and outline the **steps in the marketing process**.
3. Explain the relationships between **customer value** and **satisfaction**.
4. Understand why the marketing concept calls for a **customer orientation**.
5. Understand the concept of the **lifetime value of a customer** and be able to relate it to customer loyalty and retention.

# Purpose of a Business



# What is Marketing?

Marketing is the process by which companies create value for customers and society, resulting in strong customer relationships which capture value from the customers in return.

# Marketing Mix

<b>Product</b>	<b>Place</b> <i>(Distribution)</i>
<b>Price</b>	<b>Promotion</b> <i>(Sales &amp; Advertising)</i>

# Tourism Marketing



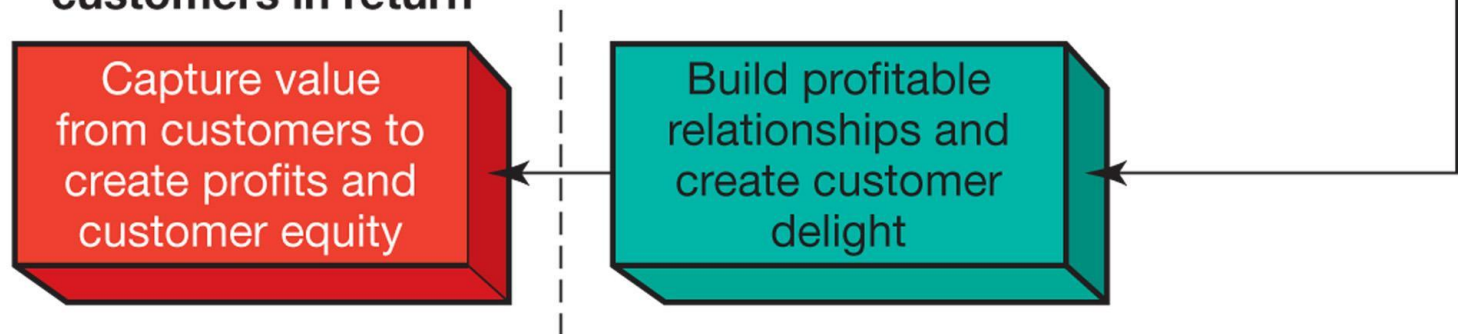


# The Marketing Process

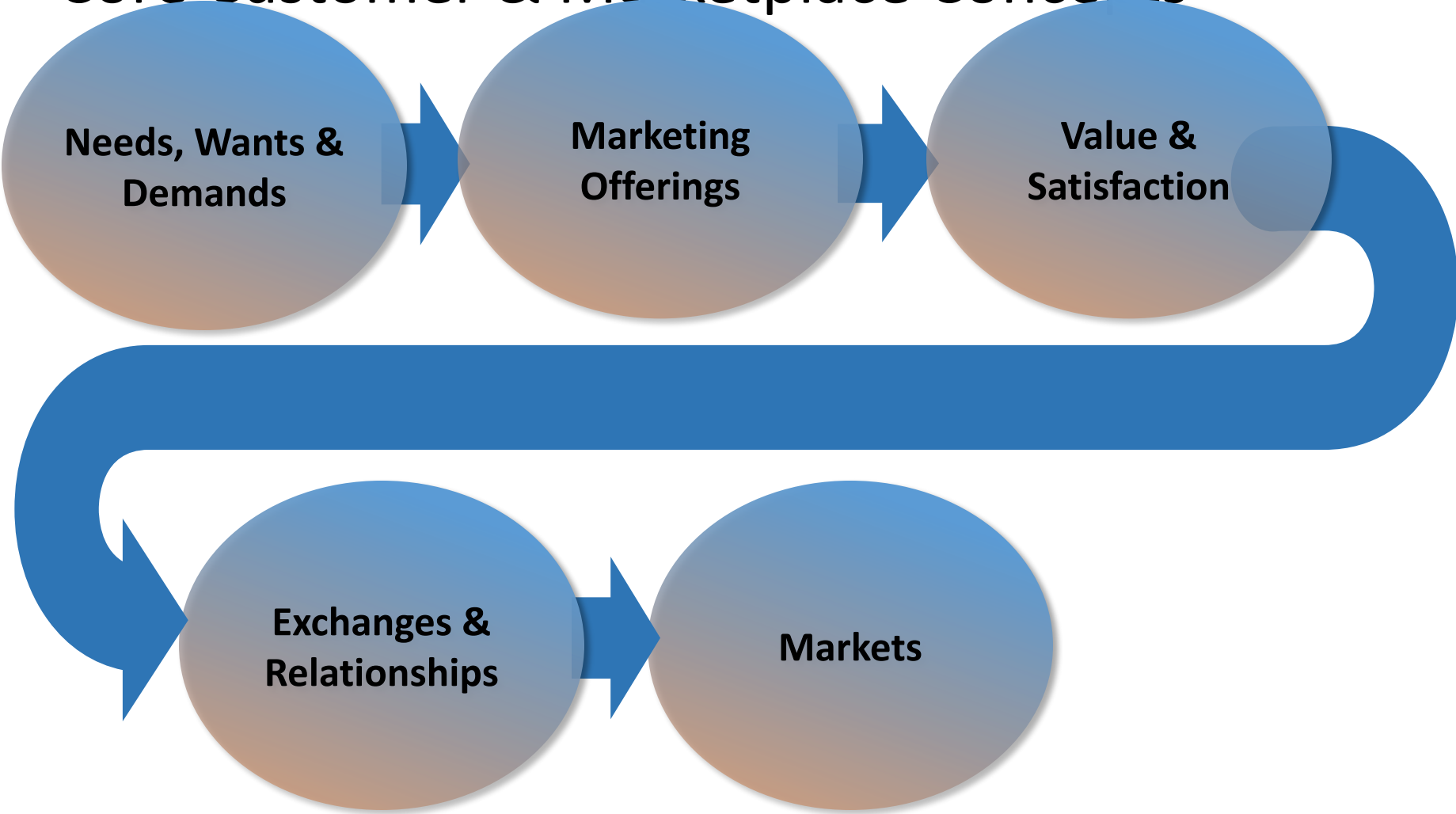
**Create value for customers and build customer relationships**



**Capture value from customers in return**



# Core Customer & Marketplace Concepts



# Needs, Wants & Demands



EX: Marketing Myopia

- **Examples Of Marketing Myopia**

- Here are some companies that are suffering from or have suffered from marketing myopia
- [Kodak](#) lost much of its share to Sony cameras when digital cameras boomed and Kodak didn't plan for it.
- [Nokia](#) losing its [marketing share](#) to android and IOS.
- Hollywood didn't even tap the television market as it was focused just on movies.
- Yahoo (worth \$100 billion dollars in 2000) lost to Google and was bought by Verizon at approx. \$5 billion (2016).

- **Marketing Myopia in future**

- **Dry cleaners** – New types of fiber and chemicals will result in less demand for dry cleaners.
- **Grocery stores** – A shift to the digital lifestyle will make grocery stores to disappear.

# Marketing Offerings



Illustration 1-7

Customer wants and needs are fulfilled through some combination of **tangible** and **intangible** products and services

# Value & Satisfaction



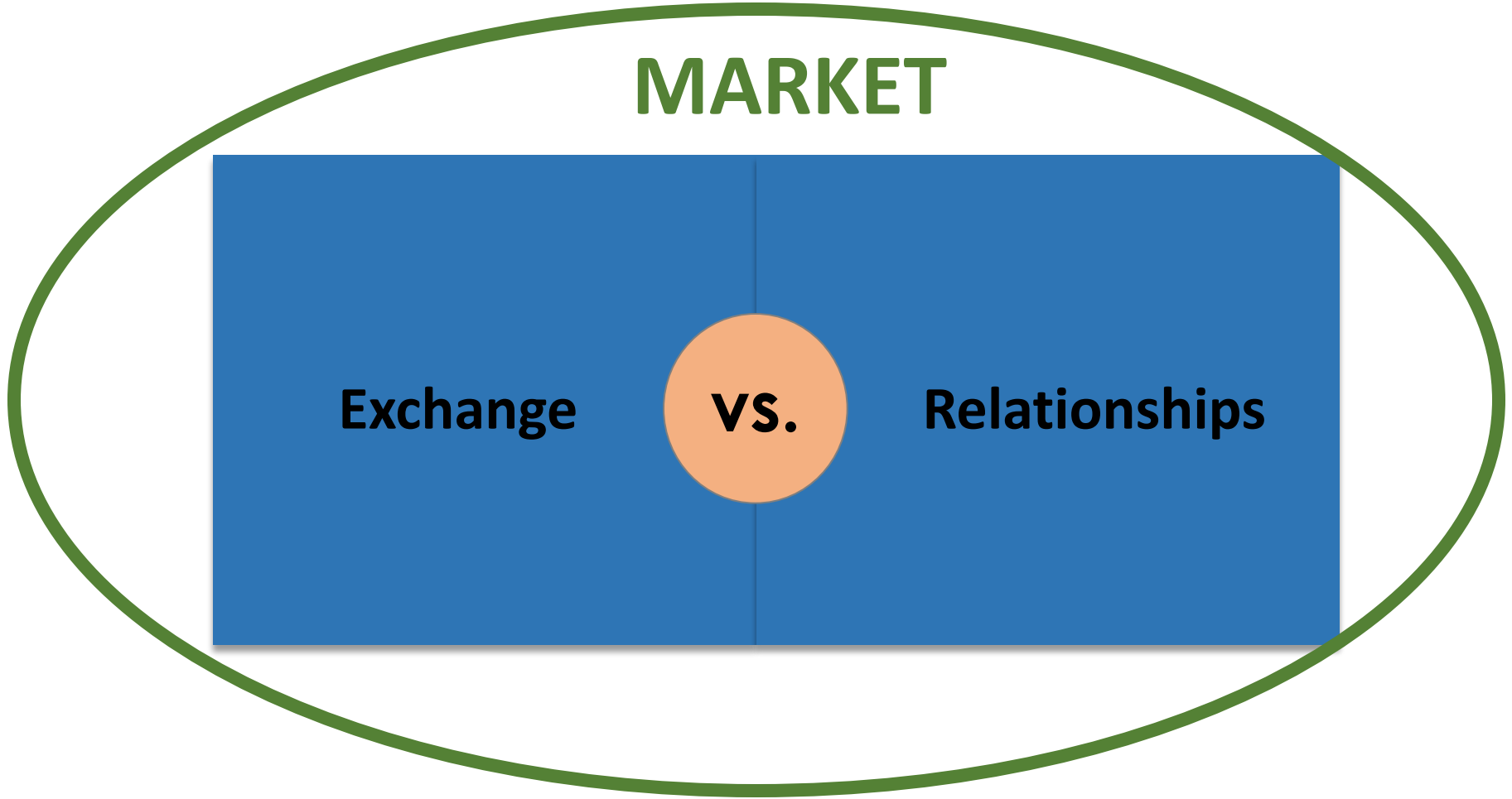
# Exchanges & Relationships and Markets

**MARKET**

**Exchange**

**vs.**

**Relationships**



# Marketing Management Orientations

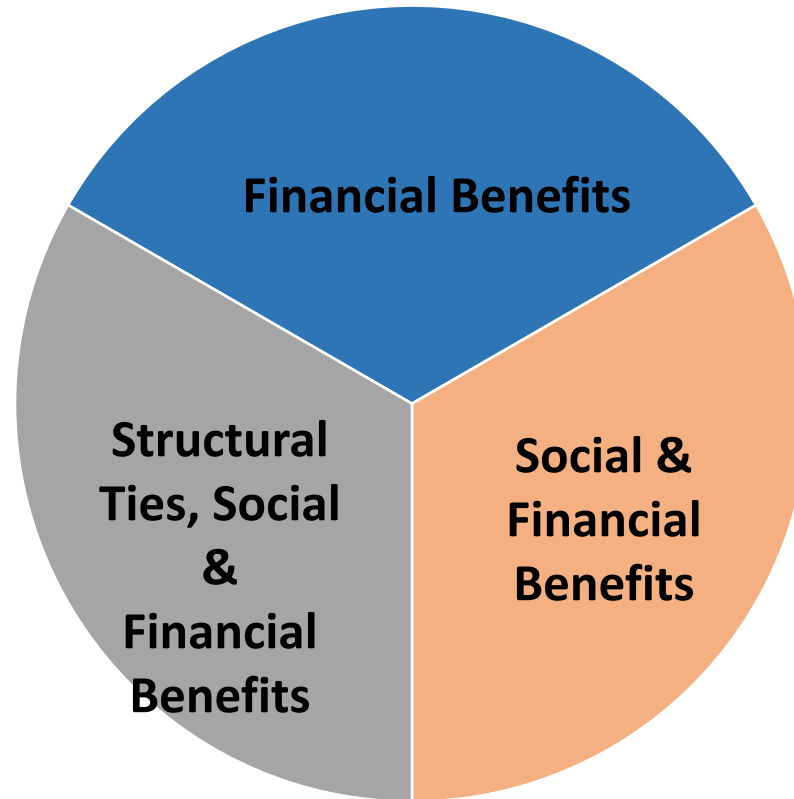




# Marketing 3.0 (cont.)



# Customer Value-Building Tools



Ex: Sheraton

# Building Profitable Customer Relationships

	Low Frequency	High Frequency
High Profitability	Try to get these customers to come more often	These are your best customers, reward them
Low Profitability	These customers will follow promotions – ensure your promotions make money	Some of these guests have the potential to become more profitable

Table 1-1

# Guidelines for Customer Relationships

1. Target fewer, more profitable customers
2. Relate in deeper, more meaningful ways
3. Create dialogues with customers via online social networks
4. Invite customers to play a more active role in shaping products and brand messages

# Lifetime Value of the Customer

- Losing a customer means losing more than a single sale.
  - It means losing the entire stream of purchases that the customer would make over a lifetime of patronage
- A company can lose money on a specific transaction but still benefit greatly from a long-term relationship
  - This is one of the reasons successful companies empower employees to resolve customer complaints

# Key Terms

**Customer Equity** the discounted lifetime values of all the company's current and potential customer.

**Customer Expectations** based on past buying experiences, the opinions of friends, and market information.

**Customer Relationship Management (CRM)** involves managing detailed information about individual customers and carefully managing customer "touch points" in order to maximize customer loyalty.

**Customer Touch Point** any occasion on which a customer encounters the brand and product—from actual experience to personal or mass communications to casual observation.

**Customer Value** the difference between the benefits that the customer gains from owning and/or using a product and the costs of obtaining the product.

**Demands** Human wants that are backed by buying power.

**Exchange** The act of obtaining a desired object from someone by offering something in return.

**Hospitality Industry** Made up of those businesses that offer one or more of the following: accommodation, prepared food and beverage service, and/or entertainment.

**Human Need** A state of felt deprivation in a person.

# Key Terms (cont.)

**Human Want** The form that a human need takes when shaped by culture and individual personality.

**Lifetime Value** The lifetime value of a customer is the stream of profits a customer will create over the life of his or her relationship to a business.

**Market** A set of actual and potential buyers of a product.

**Marketing** The art and science of finding, retaining, and growing profitable customers.

**Marketing Concept** The marketing management philosophy that holds that achieving organizational goals depends on determining the needs and wants of target markets and delivering desired satisfactions more effectively and efficiently than competitors.

**Marketing Management** The art and science of choosing target markets and building profitable relationships with them.

# Key Terms (cont.)

**Marketing Manager** A person who is involved in marketing analysis, planning, implementation, and control activities.

**Marketing Mix** Elements include product, price, promotion, and distribution. Sometimes distribution is called place and the marketing situation facing a company.

**Product** Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organizations, and ideas.

**Product Concept** Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organizations, and ideas.

**Production Concept** Holds that customers will favor products that are available and highly affordable, and therefore management should focus on production and distribution efficiency.

**Purpose of a Business** To create and maintain satisfied, profitable customers.



# Key Terms (cont.)

**Relationship Marketing** Involves creating, maintaining, and enhancing strong relationships with customers and other stakeholders.

**Selling Concept** The idea that consumers will not buy enough of an organization's products unless the organization undertakes a large selling and promotion effort.

**Societal Marketing Concept** The idea that an organization should determine the needs, wants, and interests of target markets and deliver the desired satisfactions more effectively and efficiently than competitors in a way that maintains or improves the consumer's and society's well-being.

**Transaction** Consists of a trade of values between two parties; marketing's unit of measurement.

**Value Proposition** The full positioning of a brand—the full mix of benefits upon which it is positioned.