

# TOURISM AND HOSPITALITY MARKETING

1st Edition

Mas Azlina binti Mohd Alias ● Marni binti Md Zali



# **TOURISM AND HOSPITALITY MARKETING**

**1st Edition**



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**Mas Azlina binti Mohd Alias**

**Marni binti Md Zali**

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# PREFACE

Marketing is the art and science of connecting with customers, understanding their needs, and delivering products or services that satisfy those needs. It's about creating value, building relationships, and ultimately, making sales. This book will discuss on the core principles and practices that businesses employ to thrive in the marketplace.

On the other hand, Tourism and hospitality marketing is all about promoting and selling experiences. It's the process of showcasing the incredible destinations, accommodations, dining, and services that make people's vacations and travel memorable. This field focuses on attracting tourists, providing exceptional guest experiences, and ensuring customers leave with smiles on their faces.

Thus, understanding on the importance of marketing strategies and how it works could help the marketers to get engage customers, achieve their business goals, and excel in this ever-evolving field.



# chapter 1

# INTRODUCTION TO MARKETING



# Chapter Content



01

What is Marketing?

02

Definition

03

Marketing Process

04

Core Marketing Concepts

05

Marketing External Environment





# **INTRODUCTION TO MARKETING**

# WHAT IS MARKETING?



Marketing is  
**PHILOSOPHY NOT**  
just **BUSINESS**

It is the way a business is structured  
and planned

# MARKETING DEFINITION



**Kotler  
(2017)**

A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.

Activities, set of institutions and processes for creating, communication, delivering and exchanging offerings that have value for customers, clients partners, and the society at large.

**America Marketing  
Association  
(2017)**

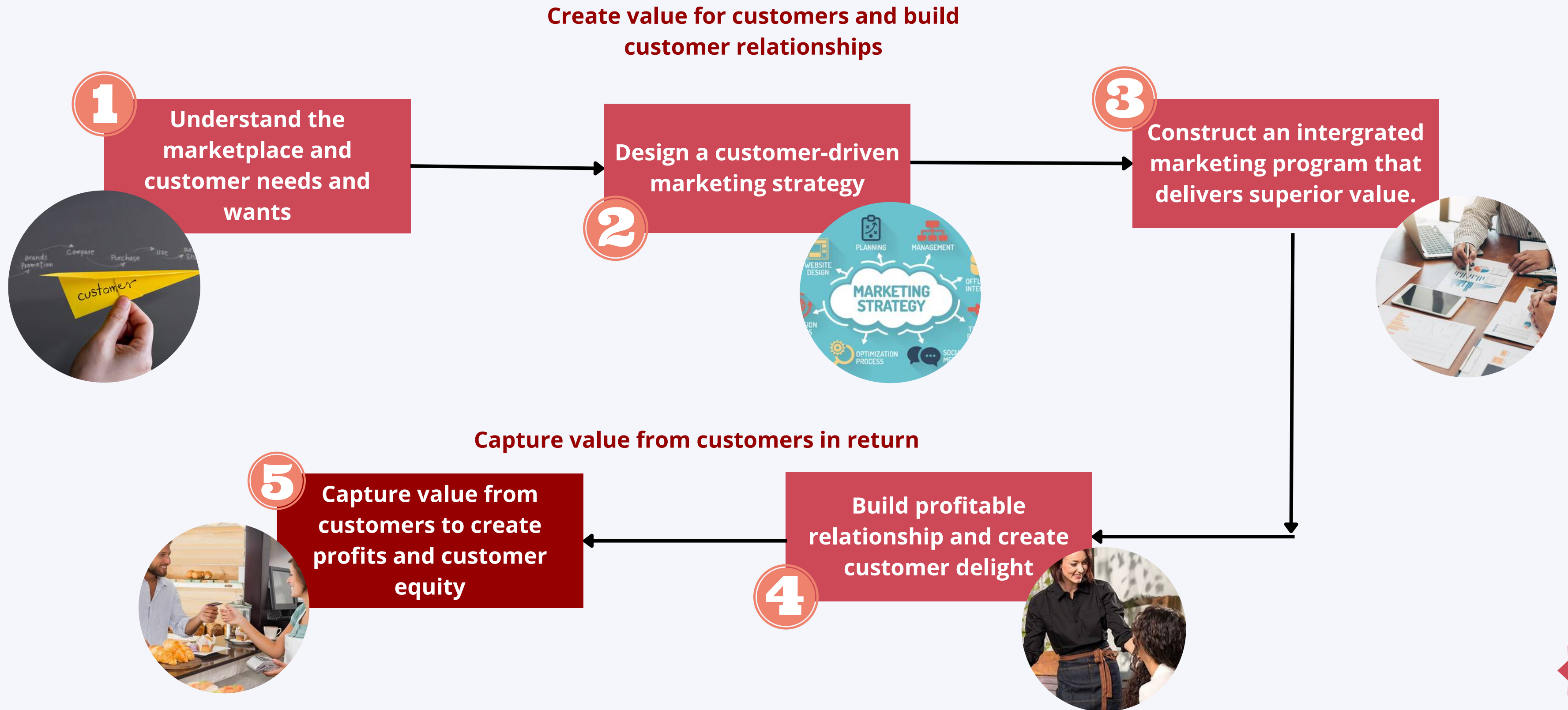


**Peter F. Drucker  
(2017)**

Marketing contains all business activities. The result can be seen from the final result, from the consumer perspective. The marketing responsibility must be seen from all sides of business.



# THE MARKETING PROCESS





**MARKETING  
EVOLUTIONARY  
& PHILOSOPHY**



# EVOLUTIONARY ERAS OF MARKETING

late 1800 - early 1900
1920 - 1930
1930 - 1950
1950 - 1990
1990 - 2000
2000 - Present

Approximate Dates

Production Concept	
Product Concept	
Selling Concept	
Modern Marketing Concept	
Societal Marketing Concept	
Online Concept	

Marketing Eras





# PRODUCTION CONCEPT

01

## Olders

One of the oldest philosophies guiding sellers. Begin with the Industrial Revolution.

02

## Production

Holds that consumers will favor products that are available and highly affordable and therefore management should focus in production and distribution efficiency.

03

## Demand

The production capacities of factories could not keep pace with the demand. Demand exceed supply.

04

## Problem

Problem with this concept is that management may become so focused on production systems that they forget the customer.



# PRODUCT CONCEPT

01

## Focus

Inward focus

02

## Product Features

Holds that consumers will favor products that offer the most in quality, performance, and innovative features.

03

## Marketing Strategy

Marketing strategy focuses on making continuous product improvement.

04

## Problem

Focusing only on the company's products can lead to marketing myopia.



# SELLING CONCEPT

- 01 Selling**  
Holds that consumer will not buy enough of the organization's product unless the organization undertakes a large selling and promotion effort.
- 02 Possible sale**  
The aim of selling focus is to get every possible sale, not to worry about satisfaction after the sale or the revenue contribution of the sale.
- 03 Customer relationship**  
The selling concept does not establish a long term relationship with the customer.
- 04 Reduce stock**  
Focus on getting rid of what one has rather than creating a product to meet the need of the market.



# MODERN MARKETING CONCEPT

- 01 Philosophy**  
Recent business philosophy and one that has been adopted in the hospitality industry.
- 02 Need and wants**  
Holds that achieving organizational goals depends on determining the needs and wants of target market and delivering the desired satisfaction more effectively and efficiently than competitors.
- 03 Market Guarantee**  
Organization began to realize that the selling alone did not guarantee satisfied customers and more sales.
- 04 Choice**  
Customer had more choices than ever before and could select the products and services that best matched their needs.



# SELLING CONCEPT

STARTING POINT

FACTORY



EXISTING  
PRODUCT



SELLING  
AND  
PROMOTING



PROFIT  
THROUGH  
SALES  
VOLUME



## THE SELLING & MODERN MARKETING CONCEPTS CONTRA

MARKET



CUSTOMER  
NEED



INTERGRATED  
MARKETING



PROFIT  
THROUGH  
CUSTOMER  
SATISFACTION



# MODERN MARKETING CONCEPT



# SOCIETAL MARKETING CONCEPT

01

## Evolutionary

Is the fourth evolutionary era. it is a new concept wherein organization consider the consumer well being to fulfill the needs, wants and interest of the target market.

02

## Social responsibility

Organizations started to recognize their social responsibility in addition to their profit and customer-satisfaction objectives.

03

## Society benefits

Companies adopting the societal marketing concept seek to ensure their customers are satisfied and the society benefits from their products and services over the long term.



# DIGITAL MARKETING CONCEPT

01

## Digital technology

Some industry observers have suggested that the mid-1990s brought another new era of marketing in which digital technologies were rapidly adopted

02

## Growth

Internet revolutionized the way business was done from about 1995 onwards, causing a huge growth in electronic or e-commerce.

03

## Internet

Hospitality and travel marketers are now making heavy use of the world wide web (www) for providing information and accepting reservation.





# CORE MARKETING CONCEPT

# CORE MARKETING CONCEPTS

Adopting the marketing concept means that companies have to ensure their activities and focus on satisfying customers' needs and wants.

Marketing Concept





# CORE MARKETING CONCEPTS

## NEEDS, WANTS AND DEMAND

**NEEDS** is the fundamental idea in marketing. It refers to situations or feelings of lacking something that individuals must satisfy. Needs encompass basic physical requirements like food, shelter, and clothing.

**WANTS** are desires that go beyond basic needs. For instance, when a person is hungry, they might want rice, laksa, or bread. People have countless wants, but their resources to fulfill them are limited.

**DEMANDS** are desires for particular products, and they come with the ability and willingness to purchase them. When you have the means to buy something, your wants turn into demands.

# CORE MARKETING CONCEPTS

## PRODUCTS & SERVICES

A **PRODUCT** is something that is offered to satisfy a need or wants

A product isn't just something physical and tangible; it can also encompass experiences, people, locations, organizations, information and ideas.

**SERVICES** are a concept that acknowledges the distinctiveness of all services. It's a part of marketing that focuses on industries providing services.

# CORE MARKETING CONCEPTS

## VALUE, SATISFACTION & QUALITY

**VALUE** is one of the considerations in customer buying decision. Many customers make their product choices based on their perception of the product's value in relation to its cost.

**CUSTOMER SATISFACTION** relies on how well a product meets or exceeds a buyer's expectations in terms of value delivered.

**QUALITY** is defined as a measure of excellence, meaning something is without flaws or defects. Companies must enhance their products and services to ensure they can compete effectively with their rivals.



# CORE MARKETING CONCEPTS

## MARKET

**MARKET** is a set of potential buyers who might develop an exchange or transaction with a seller.

Understanding the market helps businesses figure out what customers want and how to sell to them effectively.



## *Consumer* **MARKET**

The consumer market consists of customers who purchase products for their personal use.

## *Reseller* **MARKET**

The reseller market includes customers who purchase products not for their own use but for activities like selling, renting, or further processing.



## *Business* **MARKET**

These are customers who purchase items with the intention of selling them to make a profit.



# *Market*

## *International* **MARKET**

International customers are individuals, businesses, and government entities in foreign countries who buy and use products.





# CORE MARKETING CONCEPTS

## EXCHANGE, TRANSACTION & RELATIONSHIP

**EXCHANGE** is the act of obtaining a desired object from someone by offering something in return.

**TRANSACTION** is where marketing consists of action taken to built and maintain new customers and creating transaction.

**RELATIONSHIP** is where marketers want to build strong relationships by consistently delivering superior customer value.



# IMPORTANCE OF MARKETING



# IMPORTANCE OF MARKETING

Greater competition, increased market fragmentation and complexity, and more well-traveled and sophisticated customers have created a greater emphasis on marketing.

The tourism industry contributes to the income of the local economy, which in turn creates employment opportunities in the industry.

All the operating sectors require manpower to make the various processes work and offer a range of activities and experience to travellers.



# PRINCIPLES OF MARKETING





# PRINCIPLES OF MARKETING



**Marketing concept:** Adopting the marketing concept means that companies have to ensure their marketing activities will focus on satisfying customers' need and wants.

**Customer orientation:** Organizations should embrace the marketing concept and ensure that marketing and customer orientation is the main focus of the organization.

**Satisfying customers' need and wants:** Organizations must realize the importance of satisfying customers to survive in the competitive business environment.

**Market segmentation:** Customers are divided into different segments and specific groups or target market. The company focused on the target market to ensure better profits and returns.



# PRINCIPLES OF MARKETING

**Value and the exchange process:** Customers perceive the value of products and services in terms of their ability to satisfy their needs and wants. Price is not an indicator of value.

**Product life cycle:** A product life cycle has four stages—introduction, growth, maturity, and decline. Marketing strategies and approaches need to be planned and modified according to the stages.

**Marketing Mix:** In traditional marketing mix, the 4P's comprise of product, place, promotion and price. However in tourism and hospitality there are additional 4P's—people, packaging, programming and partnership.





# MARKETING ENVIRONMENT



# INTERNAL ENVIRONMENT OF MARKETING



The internal environment in marketing refers to all the factors and elements within a company or organization that can influence its marketing strategies and decisions. These factors are under the company's control and can be managed or modified to some extent.



The internal environment in marketing encompasses everything inside a company that can impact its marketing efforts. It's crucial for businesses to assess and manage these internal factors effectively to develop successful marketing strategies and achieve their goals.



# 4 INTERNAL ENVIRONMENT OF MARKETING

**01**

## COMPANY CULTURE

Company culture includes the shared values, beliefs, and norms within the organization. It plays a crucial role in marketing because it can affect how employees interact with customers, the quality of customer service, and the overall image of the company.

**02**

## ORGANIZATIONAL STRUCTURE

The way a company is organized can impact marketing decisions. For example, a company with a decentralized structure might allow individual departments or regions to develop their marketing strategies.

# 4 INTERNAL ENVIRONMENT OF MARKETING

**03**

## **PRODUCT AND SERVICE OFFERINGS**

The types of products or services a company offers are central to marketing. Marketing strategies need to align with the features, benefits, and value proposition of these offerings.

**04**

## **FINANCIAL PERFORMANCE**

A company's financial health affects its marketing budget and the extent to which it can invest in marketing activities. Profitability and cash flow are critical considerations.



# EXTERNAL ENVIRONMENT OF MARKETING



A successful marketing is based on how the marketer coordinates their marketing strategies and handle well on the external marketing environment factors.



Marketing environment factors might affected on the organization marketing strategies if the company unable to overcome all the issues arise.



The marketing environment external factors is one of the uncontrollable marketing challenges. The effectiveness of 8P's in company marketing strategy could helps marketers gain the largest market share.

# 6 EXTERNAL ENVIRONMENT OF MARKETING

**01**

## **COMPETITORS**

Marketers cannot avoid from being challenged by their competitors. Either product or services, both can easily duplicate but every marketers need to set their own business or marketing strategy to win their market share. Competition will be one of the barriers for a company to success if they have no strong marketing strategy planning and this will lead them to losing their potential buyers or decline in monthly sales.

**02**

## **LAW & GOVERNMENT REGULATION**

The implementation of marketing activities can also be affected by the local government law or regulation. Each company are required to follow the policies that has been set up by the local authority especially during producing, selling or promoting their product and services. Failure to admit all the regulation may disturb the company planning and give bad reputation on the branding and product itself.



# 6 EXTERNAL ENVIRONMENT OF MARKETING

**03**

## **ECONOMY**

Economy of a country could be affected by current trends and global issues. The impact on the instability of economy cause unemployment, inflation and reduce the buying power among the consumer. Consumer tends to keep their savings rather than planning for their vacation. This decision might effected the sales of tourism and hospitality industry.

**04**

## **TECHNOLOGY**

The rapid changes in technology helps the industry to share their hotel information more effectively through internet and websites. People can search for information about their target vacation spot around the world through the website or any travel search engine. Sometimes, consumer can compare the price from the different websites and pick the offer that meet their own budget.

# 6 EXTERNAL ENVIRONMENT OF MARKETING

**05**

## **SOCIETY & CULTURE**

The consumer buying decision can somehow affected by the society and culture. People prefer to follow the trend which most people tend to buy or visit. For example, people nowadays love to go for food hunting rather than going for shopping or sightseeing. Marketers need to plan their marketing strategy to attract their customers' interest on their products or services to ensure their company can gain large market share and increase their profit.

**06**

## **ORGANIZATIONAL PRIORITIES AND GOALS**

Organizational priorities and goals is one of the external environment which uncontrollable by the marketers. Company will make sure their objectives and goals are achieved based on the marketing activities done by the team. The successful of a company depends on the respond from the consumer on their products and the sales projection.



# CONCLUSION

Most company depends on their marketing strategy for their success and profit making. The practice of **SEVEN** core marketing concept will determine whether a company product or service can gain consumer interest / attention or will be ignored in the market. This scenario could alert the management to hire a good marketing team and conduct good marketing efforts as an approach to becoming one of the favorite brands in the market.



Explain in your own understanding about modern marketing concept?



List **THREE** fast food restaurant that practice societal marketing concept.



Discuss how a country law and regulations could affect on the marketing strategy?



STUDENT

# Activity

THINK.SMART.SCORE



# chapter 2

## **MARKETING MIX STRATEGIES**



# Chapter Content



1

*Marketing  
Mix*

2

*Marketing Mix  
Strategies*

3

*Conclusion*





# WHAT IS **MARKETING MIX STRATEGIES?**

**The Marketing Mix** is a foundational concept in marketing strategy and refers to the eight key elements that a company uses to promote and sell its products or services.

**Product**



**Place**



**Price**



**Promotion**



# Marketing Mix Strategies

**Packaging**



**Programmmin**



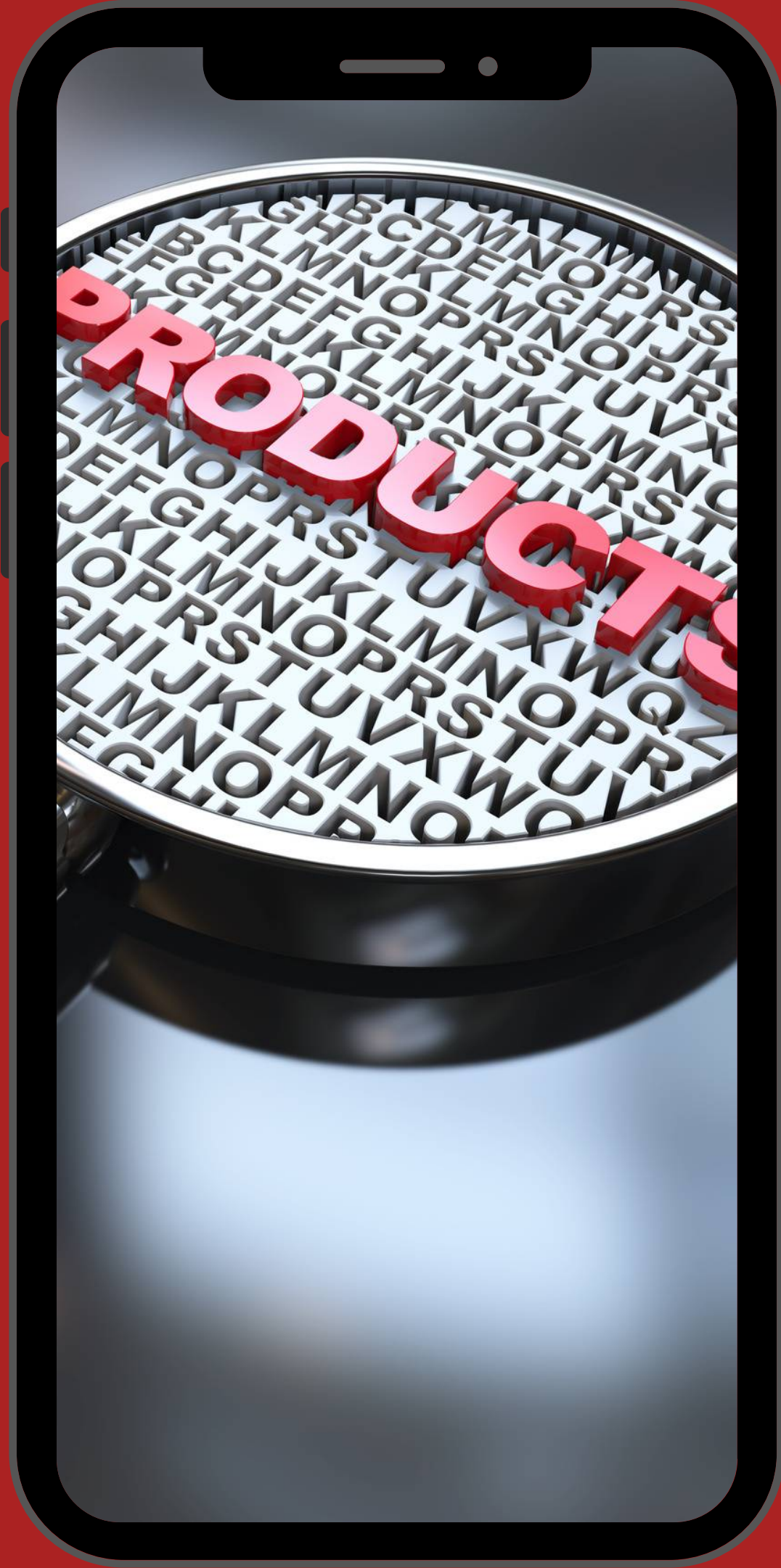
**People**



**Partnership**







**PRODUCT**



# PRODUCT

Product is the range of services and facilities (product/service mix) a hospitality and travel organization provides to customer.

Customer can determine the level of quality by comparing one product with the other.

Customer can easily get a product from various brand name.

The cooperation and relationship between seller and buyer are low.

Product will be rejected if defect.

Product presents to customers to satisfy their needs and wants





# PRODUCT

Product can be kept, product sample can be shown to the customer.



The objective in producing a product are same that is all product have a same characteristics.

Customer is a ultimate user and not involved in production process.

Customer owned the products /goods



The quality can be evaluated through comparison of the product types and series.





# PRODUCT LEVEL

## Core Product benefit

### Core Product

The product offers basic benefits that might fulfill the consumer wants.

## Generic Product

### Generic Product

The product offers actual product with tangible qualities.

## Potential Product

### Potential Product

The product might give some tangible or intangible attributes

## Augmented Product

### Augmented Product

The product offers more attributes compared to its competitors.

## Expected Product

### Expected Product

The product offers generic products and other attributes that might fulfill the consumer wants





# Core Products



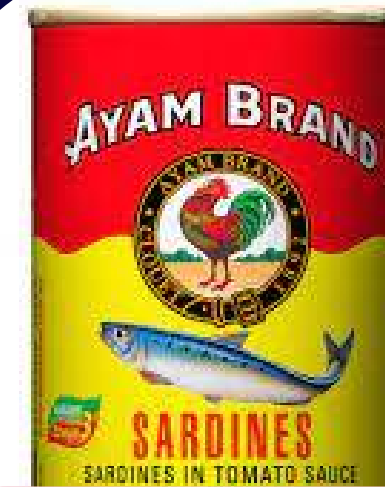
Phone- to keep in touch with people



Drink-quench thirst



Car-journey comfort



Food- get rid of hunger



Blouse - to look good

The most basic level of a product- **what the customer is actually buying**. It represents the dominant benefit or satisfaction a customer expects from a good or services he or she buys.

# Facilitating Products



Router



Phone sim card



Coffee Filter



Printer ink cartridges



Tooth brush replacing brush head

Services or goods that **must be present for the consumer to use the core product**. Core products require facilitating products but do not require supporting products.



# Generic Products



Unbranded Cereal



Salt



Plain Shirt



Note book



Basic Pencil

**Generic products** usually offer essential or basic functionality without additional features or innovations. They serve the primary purpose of the product category without any unique selling points.

# Supporting Products



**Laptop Accessories**



**Dash Cam**



**Chair Cover**



**Bike Helmet**



**Dress Belt**

**A supporting product** refers to a product that complements the core or main product offering and enhances its value to the customer. Supporting products are also known as ancillary or supplementary products. These products are not the primary focus of the marketing strategy but are designed to provide additional benefits, convenience, or functionality to the customer when used alongside the main product.



# Augmented Products



Smart phone with warranty



Hotel with concierge service



Roadside Assistance



Computer technical support



Home Appliance Warranty

**Augmented product** is elements such as accessibility, atmosphere, customer interaction with the service organization, customer participation or customer interaction with each other, combined with the core, facilitating and supporting products to provide the augmented products.

# SERVICES

**Service marketing is a concept based on the recognition of the uniqueness of all services. It is a branch of marketing that specifically applies to the service industries.**

Customer only have an experience regarding the service. The experience cannot be sold to other customers.

The objective of services is excellent where organization and customer have a good and special relationship.

Services are serve at the specific and certain time stated. It cannot be kept for later used.

Customer is part of production in services.

The quality can be evaluated through comparison of customer experience and perception.





# SERVICES

Unique marketing approaches are required in the service industries, of which hospitality and travel are just one element.

Improvement and amendment will be taken for any inconvenient.

The attitude of worker in service industry is unpredictable.

Customer can determine the level of quality by knowing all the process of delivered service.

The cooperation and relationship between seller and buyer are high.

Customers can only get limited services from various brand name.



Services are intangible, highly perishable, inseparable from providers, and difficult to cost. They have different production processes and distribution channels.

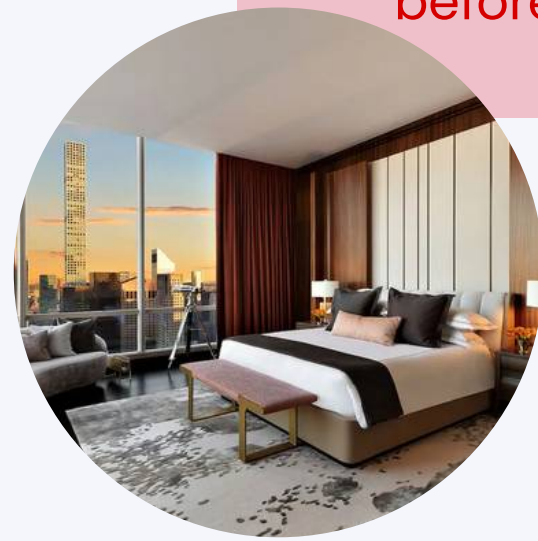


# SERVICE CHARACTERISTICS

Service marketers must understand the four characteristics of services: Intangibility, inseperability, variability and perishability

*Kotler 6th edition*

**Intangibility**  
Service cannot be seen, tested, felt, heard, or smelled before purchase.



**Inseperability**  
Service cannot be seperated from their providers



## SERVICES

**Variability**  
Quality of services depends on who provides them and when, where, and how



**Perishability**  
Services cannot be stored for later sale or use





# SERVICE CHARACTERISTICS



## Intangibility

Services cannot be seen, tasted, felt, heard or smelled before purchase. The service cannot be evaluated until a person uses the service.

## Inseparability

Services cannot be separated from their providers. The buyer and providers has to be present when the service is created

## Variability

Quality of services depends on who provides them and when, where and how

## Perishable

Services cannot be stored for later sale or use.

## Lack of Ownership

customer did not have ownership on the services.

*Kotler 6th edition*



# PRODUCT BRANDING

Product branding refers to the process of creating a distinct and recognizable identity for a specific product or line of products. It involves the use of branding elements such as a unique name, logo, design, and messaging to differentiate a product from competitors and establish a positive and memorable image in the minds of consumers.

Effective product branding can enhance a product's perceived value, increase consumer loyalty, and drive sales. Here are some key aspects of product branding:

Effective product branding can have a significant impact on a product's success in the market. It helps consumers identify and connect with the product, leading to increased recognition, trust, and loyalty, which can ultimately drive sales and market share.





# IMPORTANCE OF PRODUCT BRANDING

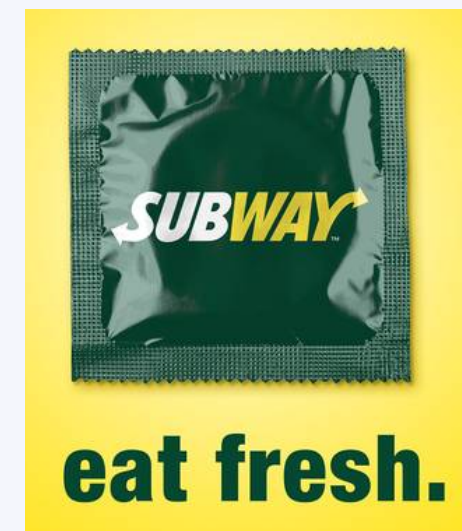
**Brand Identity:** A strong product brand has a clear and consistent identity that consumers can easily recognize and remember. This includes a unique product name, a distinctive logo or symbol, and a specific color scheme or design elements associated with the product.



**Brand Positioning:** Product branding involves positioning the product in the market in a way that sets it apart from competitors. This positioning is based on factors like product features, benefits, target audience, and pricing strategy.



**Brand Messaging:** Brand messaging includes the communication of key messages and values associated with the product. This messaging can be conveyed through advertising, packaging, marketing materials, and online presence.



# IMPORTANCE OF PRODUCT BRANDING

**Consumer Perception:** Ultimately, product branding aims to shape how consumers perceive the product. A successful brand will create positive associations and emotions, instilling trust and loyalty among customers.

**Brand Extensions:** In some cases, a strong product brand can be extended to other related products. For example, if a brand is well-known for high-quality shoes, it may choose to introduce a line of accessories under the same brand name.





# PRODUCT/SERVICE LIFE CYCLE

**Product life cycle (PLC)** is a concept used in marketing and product management to describe the stages a product goes through from its introduction to the market to its eventual decline and discontinuation. The PLC is typically divided into **four or five stages**, each characterized by different levels of sales, profitability, and market dynamics. its introduction to the market to its eventual decline and discontinuation. The PLC is typically divided into four or five stages, each characterized by different levels of sales, profitability, and market dynamics.

It's important to note that not all products follow the same trajectory or timeline in the product life cycle, and the duration of each stage can vary widely depending on factors like market conditions, competition, technological advancements, and consumer preferences.

Successful product management involves understanding where a product is in its life cycle and tailoring marketing, pricing, and product development strategies accordingly. For example, in the introduction stage, marketing efforts may focus on building awareness and educating consumers, while in the maturity stage, efforts may concentrate on differentiation and customer retention.



# PRODUCT/SERVICE LIFE CYCLE STAGES

## Stage 1: Introduction –

When a new product comes out, it often costs a lot to get it ready to sell, but not many people buy it at first, which means the company might lose money in the beginning.

## Stage 2: Growth –

If people really like the product and buy more of it, the company makes more money, and the cost of making each unit goes down as they make more. The product starts making money once they sell enough to cover their initial costs

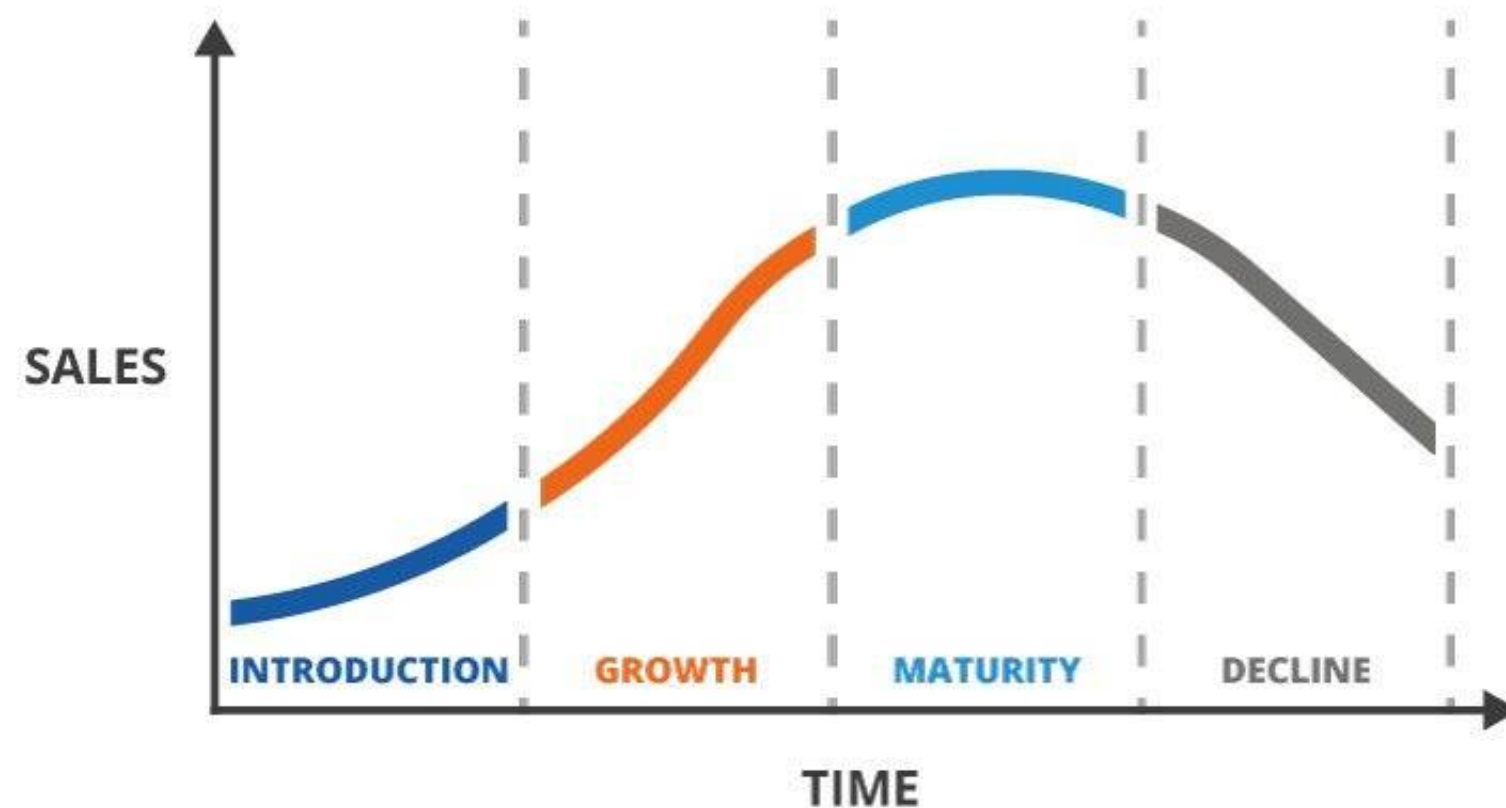
## Stage 3: Maturity –

As more people want the product, the company makes more money over time because they become better at making it. But as other companies start selling similar things, the competition grows and sales might go down.

## Stage 4: Decline –

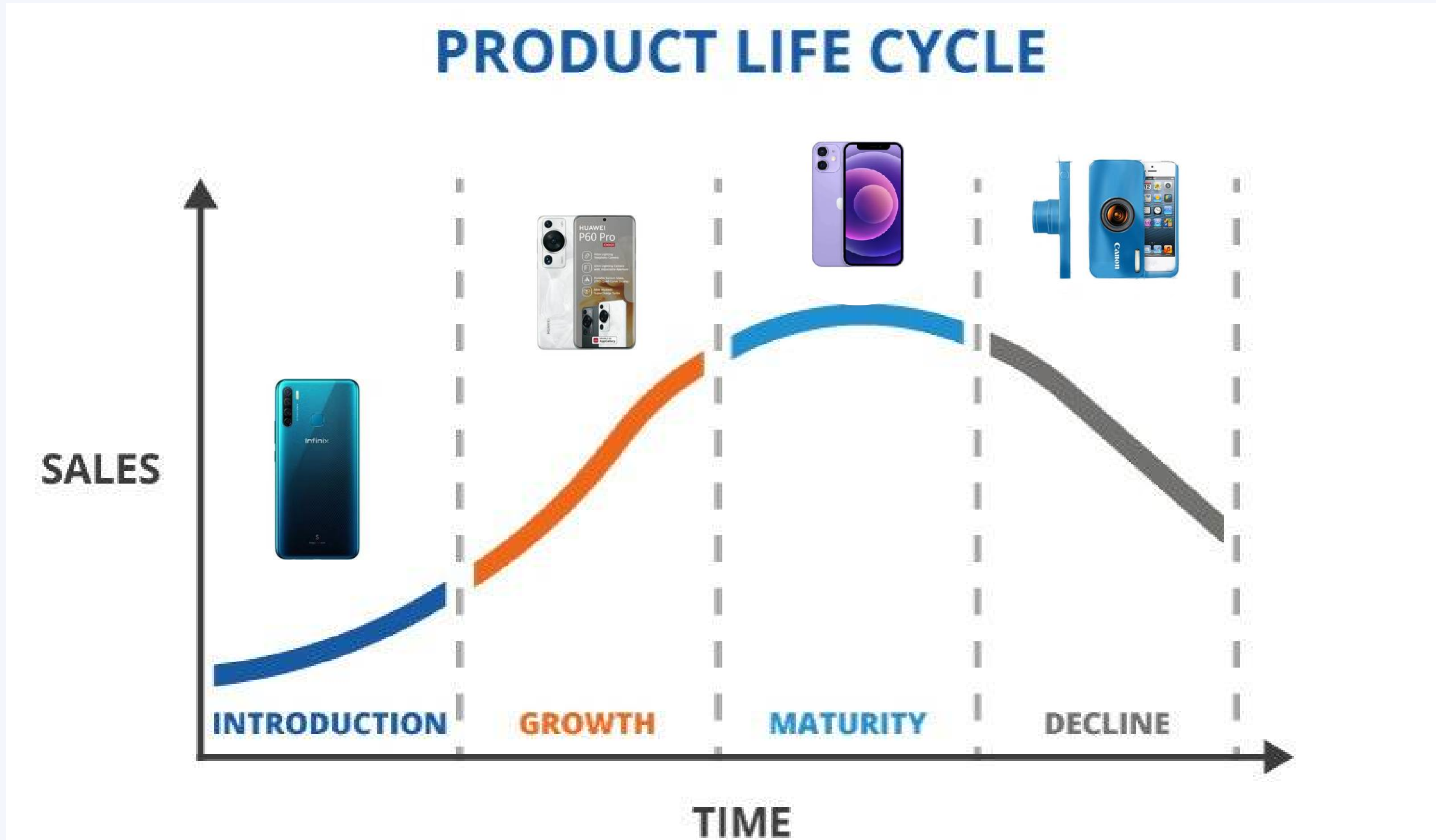
Sales and profits go down a lot when the product gets old and customers start buying different things.

## PRODUCT LIFE CYCLE





# PRODUCT LIFE CYCLE STAGES





**PRICE**



# PRICE

**Price** is the amount of money charged for goods or services. Price is the sum of the values consumer exchange for the benefits of having or using a product or services.

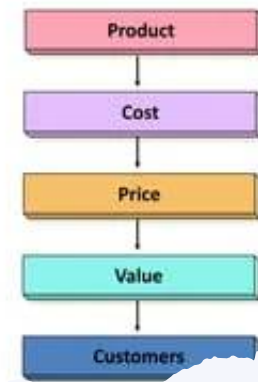
## IMPORTANCE OF PRICING

1. Price helps marketer to gain profits.
2. Price helps the marketers to gain their consumer interest to buy their product.
3. Price can determine the value and quality of the product. Higher price often represent the high quality of product or services.
4. Price need to synchronize with the promotional effort in order to get more revenue for the company.
5. Price is a strong promotional tools.



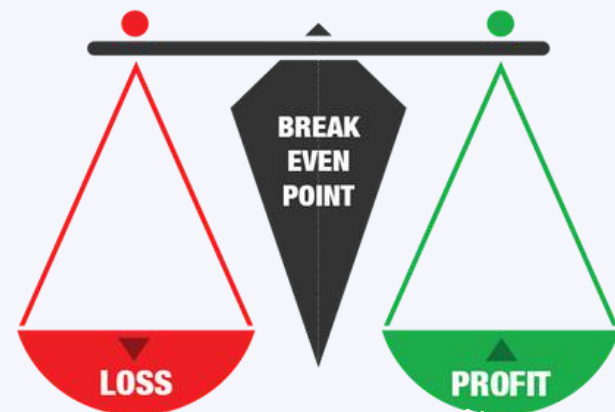
# PRICING APPROACHES

## COST BASED PRICING



01

## COST-BASED PRICING



02

## BREAK-EVEN PRICING

**Pricing approaches** are different strategies or methods that businesses use to determine the prices for their products or services. These approaches help companies set prices that align with their business goals, target customers, and market conditions.

Each approach has its own advantages and considerations, and companies often choose the approach that best fits their overall marketing and business strategies.



03

## VALUE-BASED PRICING



04

## COMPETITION BASED PRICING



# COST-BASED PRICING

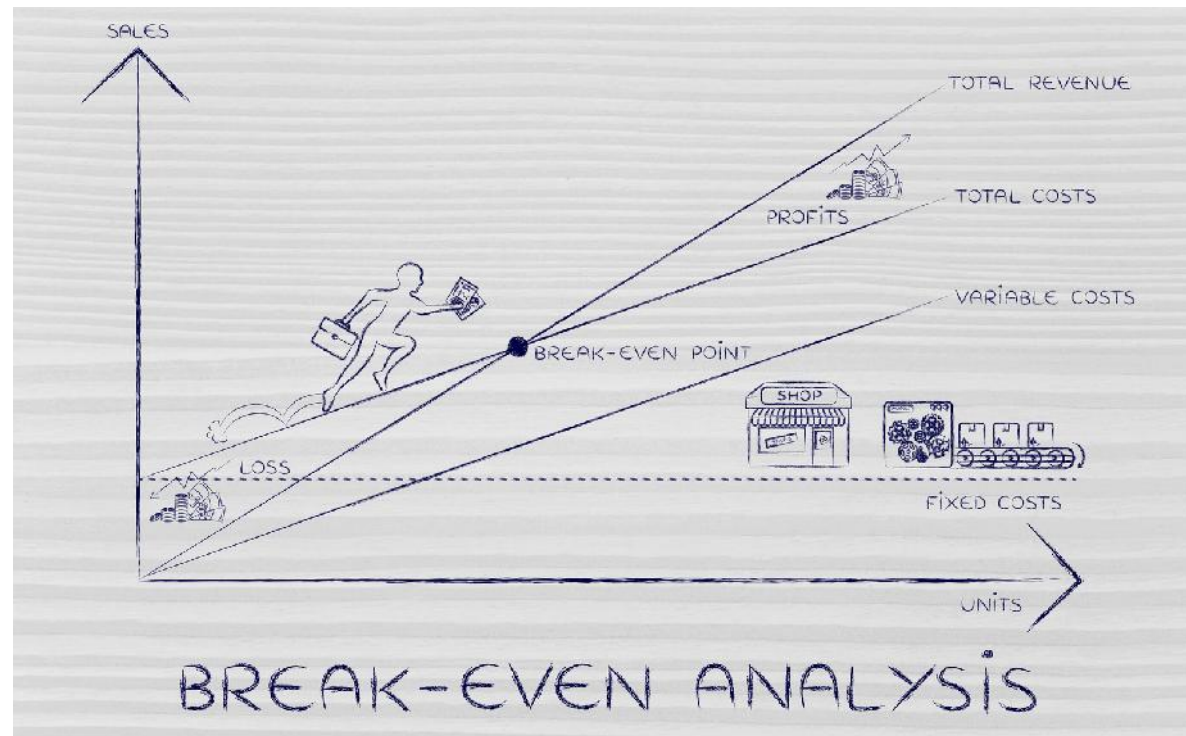
**Cost-Based Pricing** is a very basic pricing which marketers will set the price floor as low as they can in order to compete with the competitors. This set of pricing should not be set below the price floor. Marketers want to charge the lowest price to their consumer to increase their consumer buying power so that they can generate sufficient revenue to cover the cost of production and marketing and re-production cost.



- 1 Gain larger market share**  
With low price setting, marketers will be able to gain larger market share as they set lower price among their competitors.
- 2 Price Floor and Good Price**  
Marketers should not set the cost based price lower than its price floor. They need to set good price to cover all the production cost and have a sufficient revenue.
- 3 Mark up cost**  
Marketers can add a mark-up cost to the cost based pricing as it could covers some of the expenses that not being covered in the cost.

# BREAK-EVEN PRICING

**Break-even pricing** is the price at which a product or service needs to be sold so that the income from sales can cover the costs of production. The break-even quantity is the amount of things the company needs to sell so that it earns enough money to pay for all its costs. No profits are made at this stage. When the company sells more than this amount, it starts making profits.



1

## Relationship of costs, customer demand & profits

Break-even pricing helps managers figure out the points where specific prices or customer demand levels will pay for all the costs of offering the services, both fixed and variable so that they still can gain profits.

2

## Break-even point formula

### Break Even Point Formula

$$\text{Break Even Point} = \frac{\text{Fixed Cost}}{\text{Selling Price Per Unit} - \text{Variable Cost Per Unit}}$$

$$\text{Break Even Point} = \frac{\text{Fixed Cost}}{\text{Contribution Margin Per Unit}}$$





# VALUE-BASED PRICING

**Value-Based Pricing** looks at how much customers think a product is worth, not how much it costs the seller. This value is based on what customers see in the product, like its image, features, quality, and extra services. Value is what a customer believes they get from a product (benefits) compared to what they need to pay for it.

$$V_{value} = \frac{P_{Product\ Benefits} + C_{Convenience} + I_{Image}}{C_{ost} (\$ + T_{ime})}$$

1

## Customer perception

The way customers see the value of a product or service decides the most they'll pay for it.

2

## Positioning Strategy

How a product is positioned in the market is important in shaping what consumers think about it. Marketers will set a price based on what customers think the product is worth.

# COMPETITION PRICING

**Competition Pricing** is a way that lets a company look at what other products or services cost before picking its own price. How much control a company has over its price depends on how the market works in that industry. Setting a competitive price can also help marketers to choose a price that attracts the customers they want, by making their product seem special with a unique price.

$$\frac{\text{Competitor Price Index}_1 + \text{Competitor Price Index}_2 + \dots + \text{Competitor Price Index}_n}{\text{Number of Competitors}}$$

1

## Competitive Market

The idea is to stay competitive in the market and avoid being significantly higher or lower in price compared to similar products or services.

2

## Price War

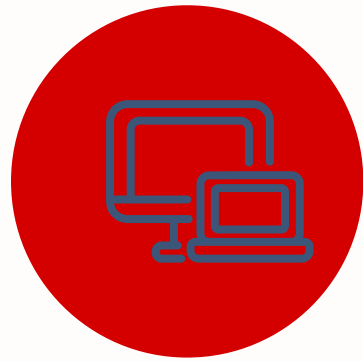
This approach also has the potential to lead to price wars or a focus solely on price rather than other value-added aspects of the product or service.

3

## Competitors' price changes

Companies using competitive pricing need to keep a close eye on their competitors' pricing changes and adjust their own prices accordingly to remain competitive in the market.





## PRICE SKIMMING

Pricing strategy where a company sets a high initial price for a new product or service, often when it's first introduced to the market.



## PRICE PENETRATION

A pricing strategy where a company initially sets a relatively low price for its product or service when entering a new market.



## DISCOUNTED PRICE

A reduced price that is lower than the regular or original price of a product or service. This reduction in price is often offered as part of a promotion, sale, or special offer to incentivize customers to make a purchase.

# PRICING STRATEGY

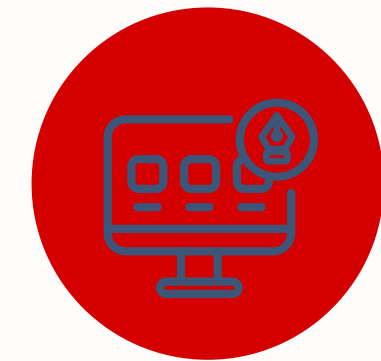
## PSYCHOLOGICAL PRICING

A pricing strategy that takes advantage of the psychological and emotional responses of consumers to certain price points.



## PRESTIGE PRICING

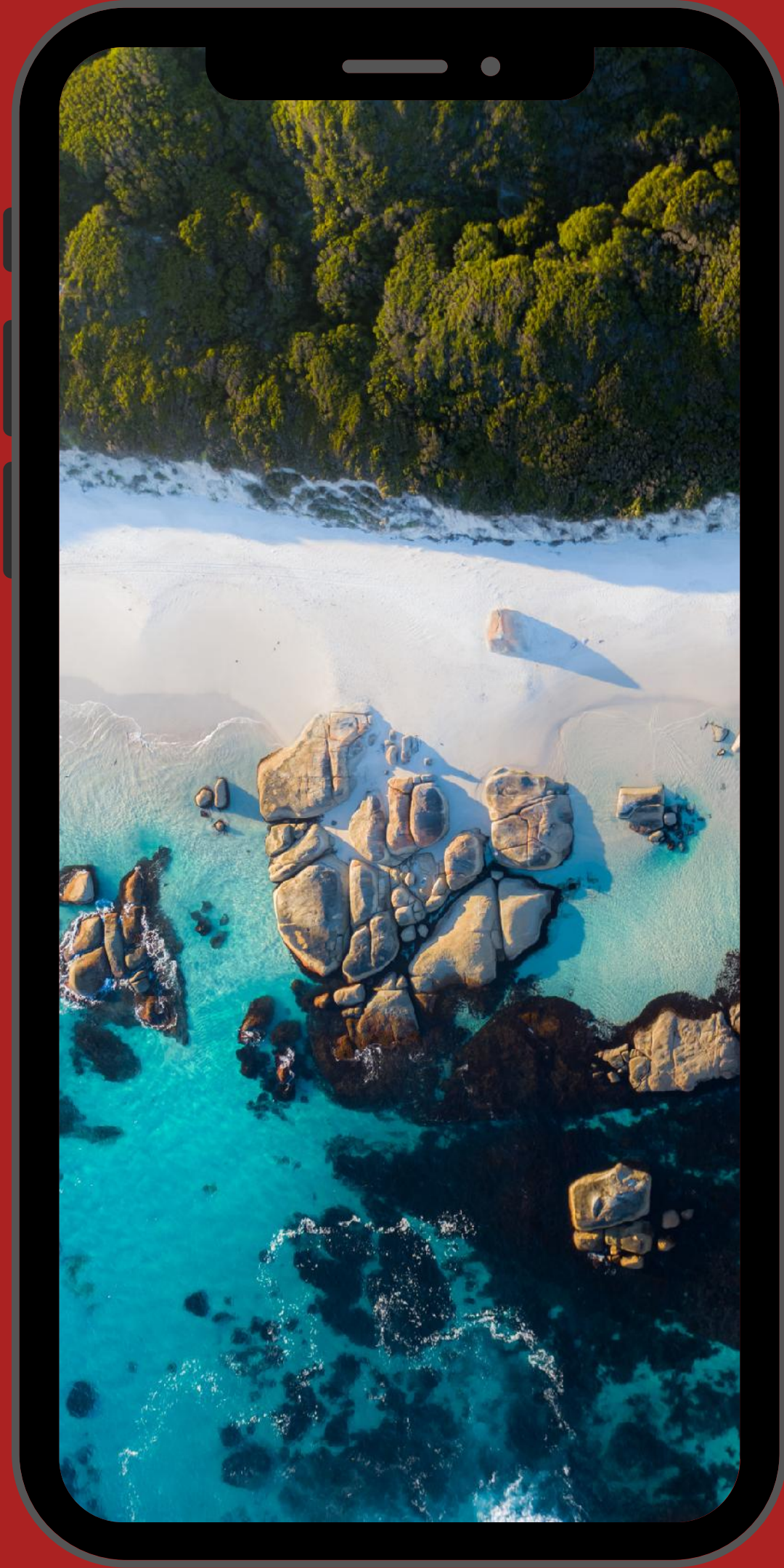
A strategy where a company sets higher prices for its products or services with the intention of creating a perception of higher quality, exclusivity, or luxury among consumers.



## PROMOTIONAL PRICING

A short-term strategy used by businesses to offer special, temporary discounts or pricing incentives to customers. This strategy is designed to attract attention, generate excitement, and increase sales for a specific period of time.

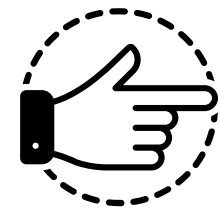




**PLACE @  
DISTRIBUTION  
CHANNEL**



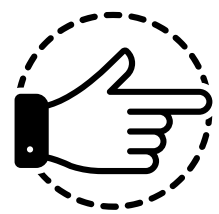
# PLACE



Also known as “distribution channel”

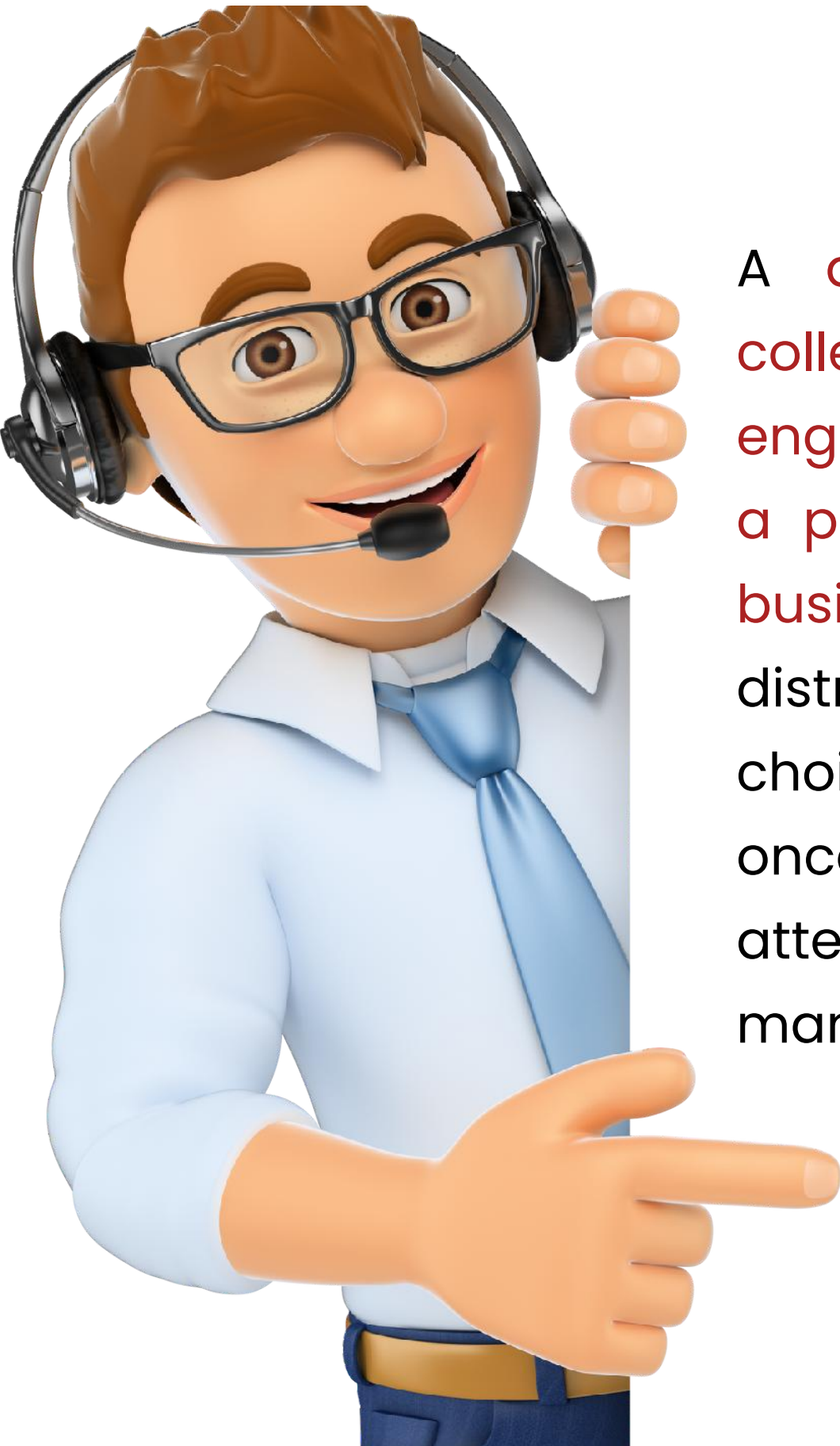


Emphasize the process of ensuring that products reach their intended customers through diverse marketing channels.



relates with supply chain and value delivery network, nature of marketing channels immediaries and channel choice.

# NATURE OF DISTRIBUTION CHANNEL



A distribution channel comprises a collection of autonomous entities engaged in facilitating the availability of a product or service to consumers or business users. The establishment of a distribution system commences with the choice of channel participants, and once these participants are chosen, attention shifts to the channel's management.

## CHANNEL ALTERNATIVES

### Direct Marketing Channel:

A marketing channel that has no intermediary level

### Indirect Marketing Channel:

A marketing channel that contains one or more intermediary level



# DIRECT CHANNEL



Producer



Consumer

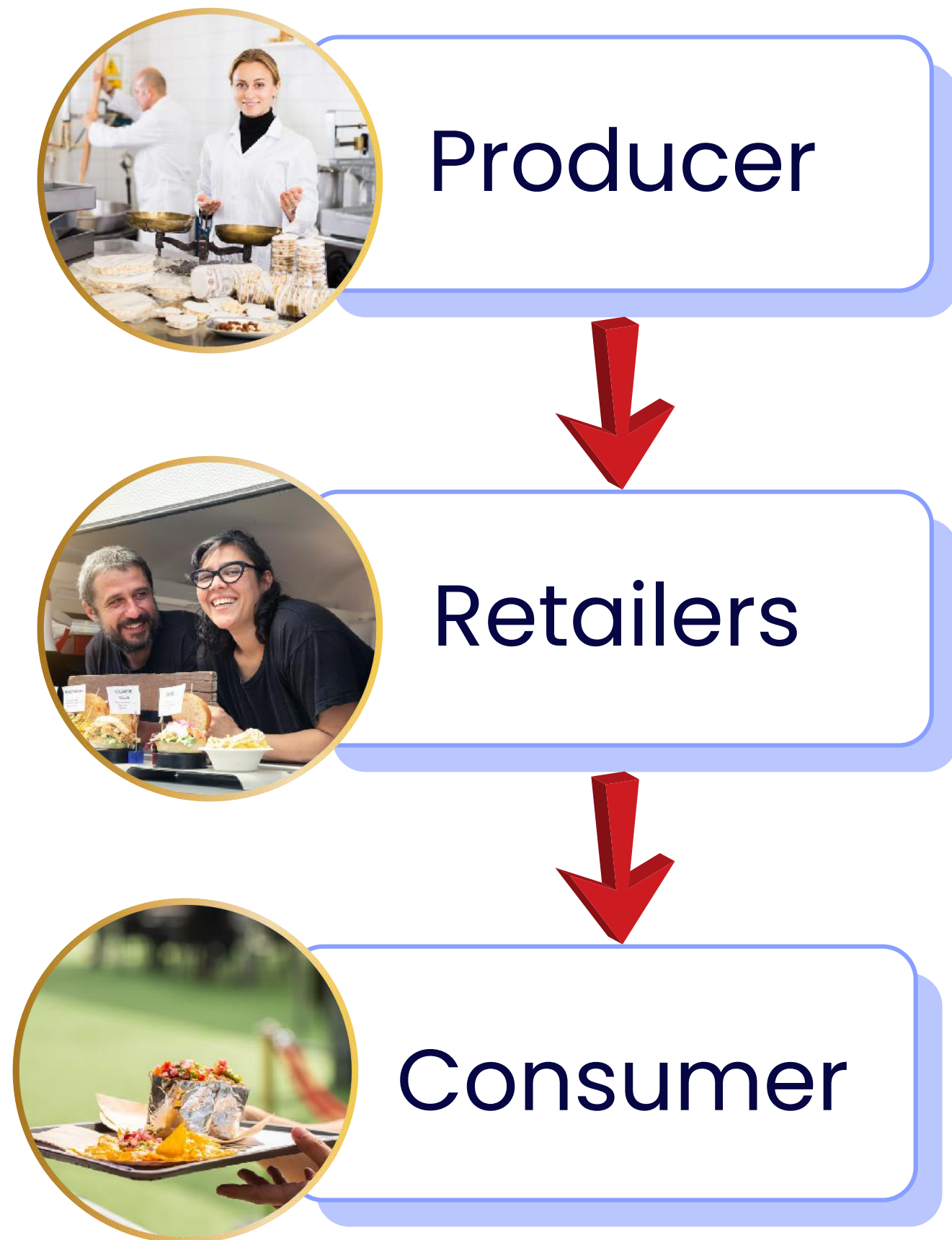


Producer



Business  
Buyer

# INDIRECT CHANNEL





# INDIRECT CHANNEL



Producer



Business  
Distributor



Business  
Buyer



Producer



Agent /  
Brokers



Business  
Distributor



Business  
Buyer

# TYPES OF INTERMEDIARIES





Act as an intermediary between manufacturers or producers and retailers.

Reduces the financial burden on manufacturers and helps them focus on production.



## WHOLESELLER

Purchase products in bulk from manufacturers and then selling them in smaller quantities to retailers.

the final link in the distribution channel between manufacturers or wholesalers and end consumers.

to make products or services available to consumers in a convenient and accessible manner.



## RETAILER

Retailers carefully curate their product offerings to cater to the needs, preferences, and demands of their target customers. They select and stock a variety of products, brands, and styles to provide choices to consumers



Acts as an intermediary who facilitates transactions between buyers and sellers, often in specialized markets or industries.

Bring together parties interested in buying and selling products or services and help them reach mutually beneficial agreements

Serves as a representative or intermediary who acts on behalf of a principal, typically a company or individual, to facilitate various aspects of marketing and sales activities.

Help the principal reach their goals, whether it's expanding market reach, selling products or services, or managing specific marketing functions.



## BROKER

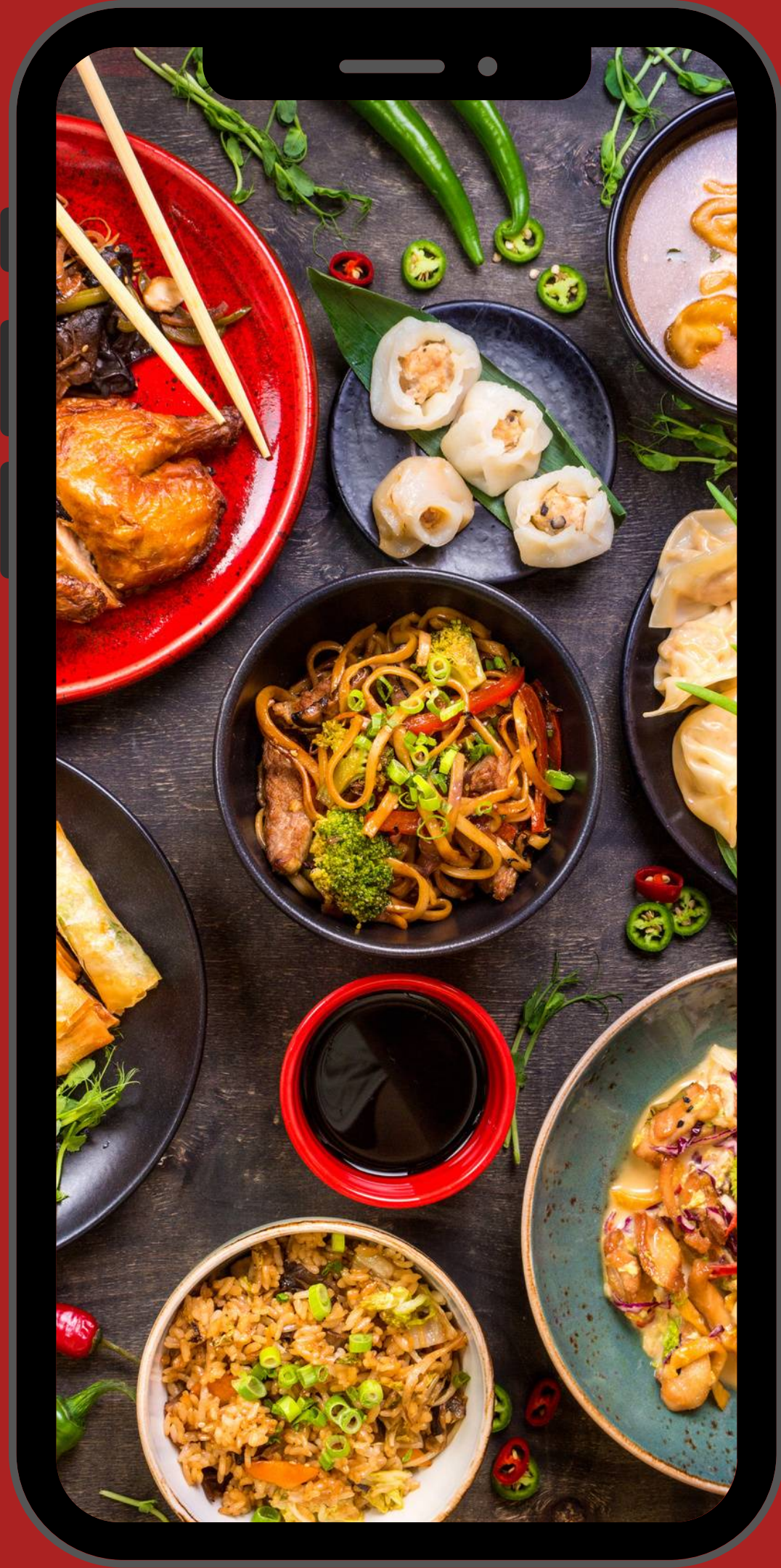


## AGENT

Brokers identify potential buyers and sellers and connect them based on their specific needs and preferences. They play a crucial role in finding the right fit for both parties.

Agents can assist companies in entering new markets or regions where they may lack a physical presence. They use their local knowledge and networks to establish a foothold in these markets.





**PROMOTION**



# PROMOTION



**Promotion is one of the four fundamental elements of the marketing mix, along with product, price, and place (distribution).**

A set of activities and strategies that businesses and organizations use to communicate and promote their products, services, or brands to their target audience.

The primary goal of promotion is to inform, persuade, and influence potential customers to take a desired action, which can include purchasing a product, subscribing to a service, or engaging with a brand in some meaningful way.



# KEY COMPONENTS OF PROMOTION MIX IN MARKETING

1



This involves paid communication through various media channels such as television, radio, print, online, and social media. Advertisements are designed to reach a wide audience and create awareness about products or services.

## Advertising:

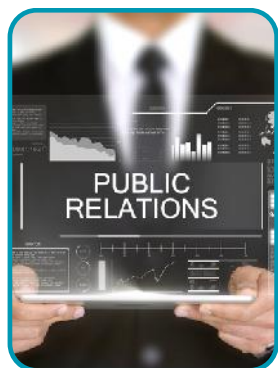
2



Sales promotions are short-term incentives or discounts aimed at encouraging immediate sales. Examples include coupons, discounts, contests, and loyalty programs.

## Sales Promotion:

3



PR activities focus on managing the reputation of a company or brand. This includes media relations, press releases, events, and other efforts to create a positive image and build credibility.

## Public Relations (PR):

4



Personal selling involves one-on-one interactions between a salesperson and a potential customer. It is particularly effective for complex or high-value products and services.

## Personal Selling:

# KEY COMPONENTS OF PROMOTION IN MARKETING

5



## Direct Marketing:

Direct marketing involves communicating with potential customers directly through channels like email, direct mail, telemarketing, or SMS. It allows for personalized and targeted communication.

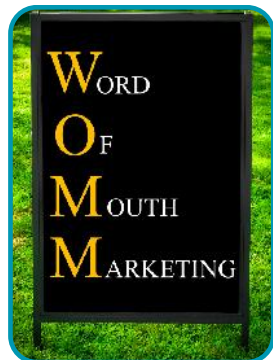
6



## Social Media Marketing:

Leveraging social media platforms to promote products, engage with customers, and build brand awareness. It includes both organic (unpaid) and paid social media activities.

7



## Word-of-Mouth Marketing:

Encouraging satisfied customers to spread positive recommendations and referrals to their friends and networks.

8



## Content Marketing:

Content marketing involves creating and sharing valuable, informative, and relevant content to attract and engage the target audience. This can include blog posts, videos, ebooks, and social media content.





**Malaysians spend a massive 14 hours daily on digital devices**

**87% of that figure relates to connected devices. How do you feel about 14 hours of opportunity for the audience to explore your fantastic content?**



**83% of connected Malaysians are watching online video daily**

**83% of connected Malaysians are watching online video daily. Online video essentially means creatively juicy multimedia video content.**

# *Fun Facts*

## **ADVERTISING**



**71% of Malaysian are now online!!!**

**22 million Malaysians are now online. That's a 7% year on year increase. Malaysia's digital audience is growing by the day. Great content marketing is the perfect way to engage with that audience.**



**Facebook is only the second most popular website in Malaysia**

**The social reality we live in today sees an estimated 71% of Malaysians with some sort of social media account, way above the Southeast Asia's 47% average. The average daily use of social media by Malaysian consumers is an eye-watering 3 hours 19 minutes.**





**PEOPLE**



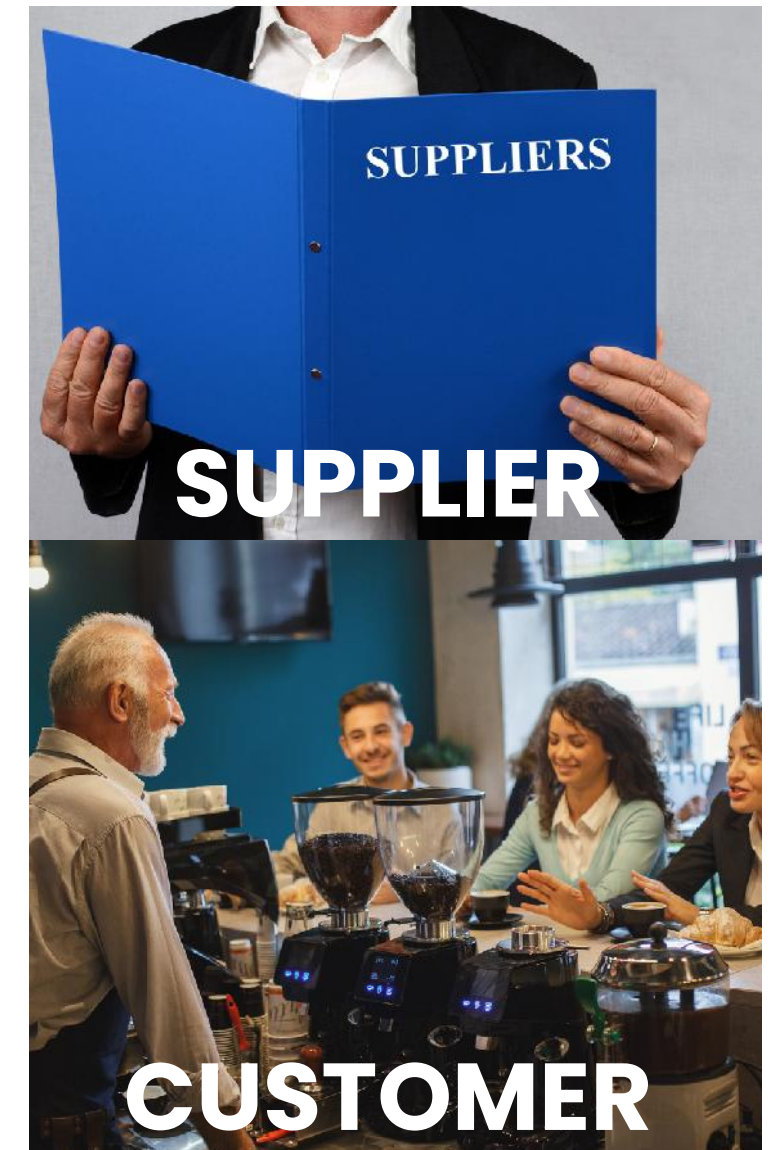
# PEOPLE

The **"people"** element of the marketing mix highlights the importance of human resources, both internal and external, in shaping and executing marketing strategies. It emphasizes the significance of effective communication, training, and customer relationship management in achieving marketing objectives.

**Consumers:** While consumers are technically outside the organization, their behavior, needs, and preferences are central to marketing efforts. Understanding consumer demographics and psychographics helps tailor marketing strategies.

**Suppliers and Partners:** People from external organizations, such as suppliers, distributors, and marketing agencies, are also part of the marketing mix. They contribute to the product's availability and promotion.

**Customers:** Although customers are not part of the organization, their needs, preferences, and behavior are central to marketing efforts. Understanding the customer's perspective is vital for effective marketing.



# PEOPLE

**Hotel Guest :** An individual or group of individuals who stay in a hotel or lodging establishment for a specified period, typically paying for accommodations and related services. Hotel guests can be tourists, business travelers, or anyone seeking temporary lodging away from their home.



**HOTEL GUEST**

**Host :** A host is often the individual or organization that owns or manages the property where guests stay. Hosts in this context are responsible for ensuring that guests have a comfortable and enjoyable stay. They oversee aspects such as check-in, housekeeping, maintenance, and guest services.



**HOST**



# COMPARISON BETWEEN HOST AND GUEST

## HOST

A host is responsible for welcoming and accommodating guests. They provide hospitality, food, and a place to stay (if necessary).

The product host refers to the company or seller offering a product or service in the marketplace.

In content marketing, the host is the entity that creates and publishes content, whether it's a blog, video, podcast, or social media post.

In event marketing, the host is the organization or entity that plans, organizes, and hosts an event (e.g., a conference, trade show, webinar).

## GUEST

A guest is someone who is invited or welcomed by the host and typically receives hospitality and courtesy during their visit.

Product guests are the customers or clients who purchase and use the product or service. They are the end-users who engage with the offering.

Content consumers (guests) are the individuals who read, watch, listen to, or engage with the hosted content. They are the audience that the content is intended to reach and influence.

Event guests are the attendees or participants who register, attend, and engage with the event. They are often the target audience for the marketing efforts surrounding

# CUSTOMER MIX MANAGEMENT



**Customer mix management** is a strategic approach used by businesses to optimize the composition of their customer base to achieve specific business objectives. It involves analyzing and segmenting customers based on various factors, such as their demographics, behavior, preferences, and profitability, and then tailoring marketing, sales, and service strategies to effectively cater to each segment.



# CUSTOMER MIX MANAGEMENT

## **Segmentation:**

Identifying and categorizing customers into different segments based on common characteristics or behaviors.

**Customer Retention:** Implementing tactics to retain and build loyalty among existing customers, particularly those in valuable segments. This can include personalized communication, loyalty programs, and excellent customer service.

## **Cross-Selling and Upselling:**

Identifying opportunities to sell additional products or services to existing customers based on their needs and preferences. This can increase revenue from the current customer base.

**Customer Acquisition:** Developing strategies to attract and acquire customers who fit the desired customer mix. This may involve tailoring advertising campaigns, promotions, or product offerings to appeal to specific segments.

## **Targeting:**

Targeting involves with techniques of choosing which customer groups to focus on for marketing and sales efforts.

## **Product and Service Customization:**

Adapting products or services to better meet the needs of specific customer segments. Customization can enhance customer satisfaction and loyalty.



# PACKAGING



# PACKAGING

**Packaging** refers to the process of designing and creating the exterior and physical appearance of a product's container or covering. Packaging serves several important functions in marketing, and it plays a critical role in influencing consumer perceptions, choices, and overall brand experience.





### Protection:



Packaging is primarily designed to protect the product from damage, contamination, spoilage, and other environmental factors during storage, transportation, and handling. It ensures that the product reaches the consumer in good condition.

### Identification:



Packaging often includes labels, logos, and branding elements that help consumers identify the product and the brand. Effective packaging can make a product stand out on store shelves and convey essential information.

### Sustainability:



In recent years, there has been a growing emphasis on sustainable packaging materials and practices. Brands are increasingly using eco-friendly materials and reducing packaging waste to appeal to environmentally conscious consumers.

### Communication:



Packaging serves as a communication tool to convey information about the product, including its features, benefits, usage instructions, ingredients, nutritional facts, and safety warnings. It can also communicate the brand's values and positioning.



### Protection:

Packaging is primarily designed to protect the product from damage, contamination, spoilage, and other environmental factors during storage, transportation, and handling. It ensures that the product reaches the consumer in good condition.

### Differentiation:



Packaging can differentiate a product from competitors' offerings. Unique and eye-catching packaging designs can attract attention and set the product apart in a crowded market.

### Promotion:



Packaging can be used as a promotional tool, featuring special offers, discounts, or promotional messages to entice consumers to make a purchase. This is often seen in packaging for seasonal or limited-time products.

# IMPORTANCE OF PACKAGING

### Legal Compliance:

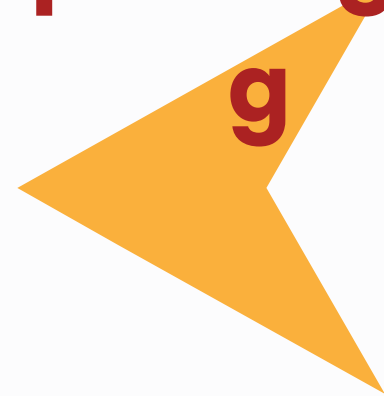


Packaging must adhere to various legal and regulatory requirements, such as labeling laws, safety standards, and product-specific regulations.





**Hotel  
Hilton  
amenities  
packaging**



**Effective packaging design** is a critical element of marketing strategy, as it can significantly impact a consumer's decision to purchase a product. Companies invest in packaging design and branding to create a strong, memorable, and appealing presence in the marketplace, ultimately contributing to the success of their products and brands.



**Order Online  
for Takeaway**



**Sushi King takeaway  
packaging**



# ELEMENT OF GOOD PACKAGING



**Clarity and simplicity**

**Branding Elements**

**Eye catching design**

**Information Clarity**

**Relevance**

**Functionality**







**PARTNERSHIP**

# PARTNERSHIP

**A partnership** refers to a collaborative relationship between two or more organizations or entities that work together to develop, design, produce, or distribute packaging solutions. These partnerships can be formed for various reasons, including innovation, sustainability, cost-efficiency, or meeting specific packaging requirements.





**Partnerships** in the hospitality industry aim to enhance the guest experience, increase occupancy rates, drive revenue, and create unique value propositions for travelers. Successful partnerships require clear agreements, effective marketing efforts, and a commitment to delivering high-quality services to guests.



The advertisement for Shopee Hotel is set against a bright orange background. On the left, the text "SHOPEE HOTEL" is prominently displayed in white, with a small shopping bag icon above "SHOPEE". Below this, it says "Search, book and get instant confirmation for more than one million properties worldwide". At the bottom left, it mentions "IN PARTNERSHIP WITH agoda Booking.com". On the right, a woman is lying on a bed, holding a large smartphone that displays a "Booked" confirmation screen with a green checkmark. The scene is lit with warm, bokeh-style lights.



# IMPORTANCE OF PARTNERSHIP

**Expanded Reach:** Partnerships allow businesses to tap into each other's customer bases, extending their reach to new audiences. This can lead to increased brand visibility and exposure.

**Audience Segmentation:** Partnering with organizations or brands that share a similar target audience enables more precise and effective marketing. It allows businesses to tailor their messages to specific customer segments.

**Cross-Promotion:** Cross-promotion is a common strategy in partnerships, where each partner promotes the other's products or services. This can drive cross-sales and benefit both parties.

**Cost Efficiency:** Collaborative marketing efforts can be more cost-effective than individual marketing campaigns. Businesses can share the costs of advertising, promotions, and other marketing activities, reducing the financial burden.

**Long-Term Relationships:** Successful partnerships can lead to long-term relationships that extend beyond individual campaigns, fostering loyalty and repeat business.







**PROGRAMMING**



# PROGRAMMING

**Programming** refers to the strategic planning and execution of marketing activities and campaigns designed to attract guests, enhance their experiences, and generate revenue for hotels, resorts, restaurants, and other hospitality establishments. Hospitality marketing programming involves a systematic approach to planning, implementing, and evaluating marketing initiatives to achieve specific business goals and objectives.

Effective programming can lead to increased brand awareness, higher occupancy rates, enhanced guest satisfaction, and ultimately, improved revenue and profitability for hospitality establishments.





# IMPORTANCE OF PROGRAMMING



**Market Research:** Conducting market research to understand consumer preferences, market trends, and competitors. This helps in identifying target markets and opportunities for differentiation.

**Content Creation:** Creating compelling and relevant content, such as website content, social media posts, blog articles, videos, and images, that resonates with the target audience and showcases the establishment's offerings.

**Segmentation:** Dividing the target audience into distinct segments based on factors like demographics, psychographics, behavior, and preferences. This allows for more targeted marketing efforts.

**Goal Setting:** Establishing clear marketing objectives and goals, such as increasing occupancy rates, boosting restaurant reservations, or expanding the customer base.

**Positioning:** Defining the unique value proposition of the hospitality establishment and determining how it wants to be perceived by customers relative to competitors.



# PROGRAMMING



**STARBUCKS**  
*Rewards Programme*

Examples represent the diversity of hospitality programs and initiatives designed to cater to various guest preferences and needs.

**A&W**  
*Official Opening*



# SWISS GARDEN

*Valentine Celebration*





# BENEFITS OF PROGRAMMING



**Brand Building:** Programs that align with the brand's identity and values contribute to brand building and differentiation in a competitive market.

**Enhanced Guest Experiences:**

Well-planned programs can create memorable and enjoyable experiences for guests, leading to higher levels of satisfaction and loyalty.

**Attracting New Guests:**

Unique and well-promoted programs can attract new guests who are seeking specific experiences or offerings, such as culinary events, wellness retreats, or adventure packages.

**Competitive Advantage:**

Unique and innovative programs can set an establishment apart from competitors and make it a preferred choice for travelers.

# CONCLUSION









# TEST YOUR KNOWLEDGE



Are there any specific marketing campaigns or tactics the marketers should implement to boost sales or brand recognition?

How do the marketers use customer feedback to refine and improve our marketing mix strategies use customer feedback to refine and improve our marketing mix strategies??



Are there any specific marketing campaigns or tactics the marketers should implement to boost sales or brand recognition?

How the marketers could determine the suitable pricing strategy for their product or service?





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