

8.3_A

Finding your way in hospitality marketing

The hospitality industry, whether corporate, government or retail, is important for the economies of many countries in an age where travel is easy and the world becomes smaller every day. Businesses have known for a long time that their success is increased by good marketing; but misconceptions about marketing are widespread.



Marketing is often considered to be 'just' advertising and selling attractions, transport, accommodation and entertainment. Of course it is much more, and includes the development of services, distribution, pricing, and also localization, which involves ensuring that services and products are embedded in the local setting. Through marketing, the right product or service is matched to the right market or people. As hospitality is a service industry, its main products are intangible, that is, you cannot see them. This means that businesses must consider improving the overall experience, including customer service and staffing. Companies should use a marketing system in which these aspects are continuously reviewed. Efficiency in marketing is required for this.

Let's focus on restaurants specifically. In this area, government hospitality may not be sales-driven enough, corporate hospitality may be subject to heavy competition, and there may simply be too many retail businesses, but the mix of people, systems and career paths is relevant to all sectors (although differing cultures may make it hard to cross from one to the other).

Not many catering organizations generate the turnover that is needed to support the hiring of specialist staff or the funds to retain an external consultant to attend to their marketing for them. The majority of small business owners have to take the initiative themselves. One of the basic objectives of marketing is to attract new customers. Another is to repeat trade from customers so that the business can reach operational capacity. Visitor numbers may be insufficient to justify the expense of opening your outlet or place of retail business. What alternatives do operators have?

If an operator decides to build up their trade, there are certain matters which should be addressed before they begin. It is one thing acquiring new customers; it is, however, entirely different getting them to spend their

money. Firstly, it is important to establish whether the present customer service is of a high enough standard to gain new customers by word of mouth. If not, there is no point in investing to attract new trade until there is certainty the operation is going to retain it. Secondly, the question must be asked whether the operator and staff are properly trained to make the most of sales opportunities when new customers present themselves.

In other words, there are two main ways to boost income. Operators can either increase customer numbers by marketing, or they can try to increase the average amount they take from each customer. Another option could be to increase prices, but this isn't considered a workable option by most entrepreneurs. They often see it as a last resort. If a business is showing negative growth (decline), while its operators are investing in marketing, it is clear that it must be losing customers.

To attract more customers, both external and internal marketing should be applied. External marketing is addressed to clients outside your organization. Examples are advertising, special promotions and mailshots. Simultaneously, operators should develop internal marketing – service and sales skills. The distinction between the two is very important, for without good internal marketing, any campaign that is designed to attract new customers is bound to lead to disappointing results.

Research has shown that it does not matter greatly what operators and staff think of their own business because customer perception is all there is in marketing. Customers will view any service in their own subjective way. Excellent quality, above average service, consistency and the perception of value for money – that's what it's all about. If these conditions are fulfilled, growth will come naturally. Marketing is all about managing perceptions.

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