

HOSPITALITY AND TOURISM MARKETING

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Lecture 1:

Marketing versus customer satisfaction

Course outcomes

At the end of the lecture, you can:

1. Describe correctly key concepts for hospitality and tourism marketing
2. Identifying clearly the determinants of perceived service quality
3. Differentiating customer satisfaction, relationship marketing and customer loyalty
4. Interpreting marketing competitive strategies

Marketing versus customer satisfaction

- ❑ The purpose of a business is to create and maintain **satisfied, profitable customers.**
- ❑ Customers are attracted and retained when **their needs are met.** Not only do they return to the same cruise line, hotel, rental car firm, and restaurant, but they also talk favorably to others about their satisfaction.



Markets

- ❑ The concept of transactions leads to the concept of a market.
- ❑ A market is a set of actual and potential buyers of a product.
- ❑ These buyers share a particular need or want that can be satisfied through exchange relationships.



Bezwershenko,(2022), Check-in hotel reception desk modern illustration with cartoon people, tourists,
<https://previews.123rf.com/images/bezwershenko/bezwershenko1807/bezwershenko180700107/114964056-check-in-hotel-reception-desk-modern-illustration-with-cartoon-people-tourists-smiling-woman-recepti.jpg?fj=1>.

Reflection scenario

A customer arrived at a restaurant before closing time and was greeted with “What do you want?” Somewhat surprised, the customer replied that he would like to get a bite to eat. A surly voice informed the customer that the restaurant was closed. At this point, the customer pointed to a sign on the door stating that the restaurant was open until 9 p.m. “Yeah, but by the time I clean up and put the food away, it'll be nine, so we're closed.” The customer left and went to another restaurant a block away and never returned to the first restaurant.



Tiataopoon,(2022), Open and closed tag vector,<https://previews.123rf.com/images/tiataopoon/tiataopoon1304/tiataopoon130400091/19023477-open-and-closed-tag-vector.jpg>

Why was the customer treated in such a shabby manner?.

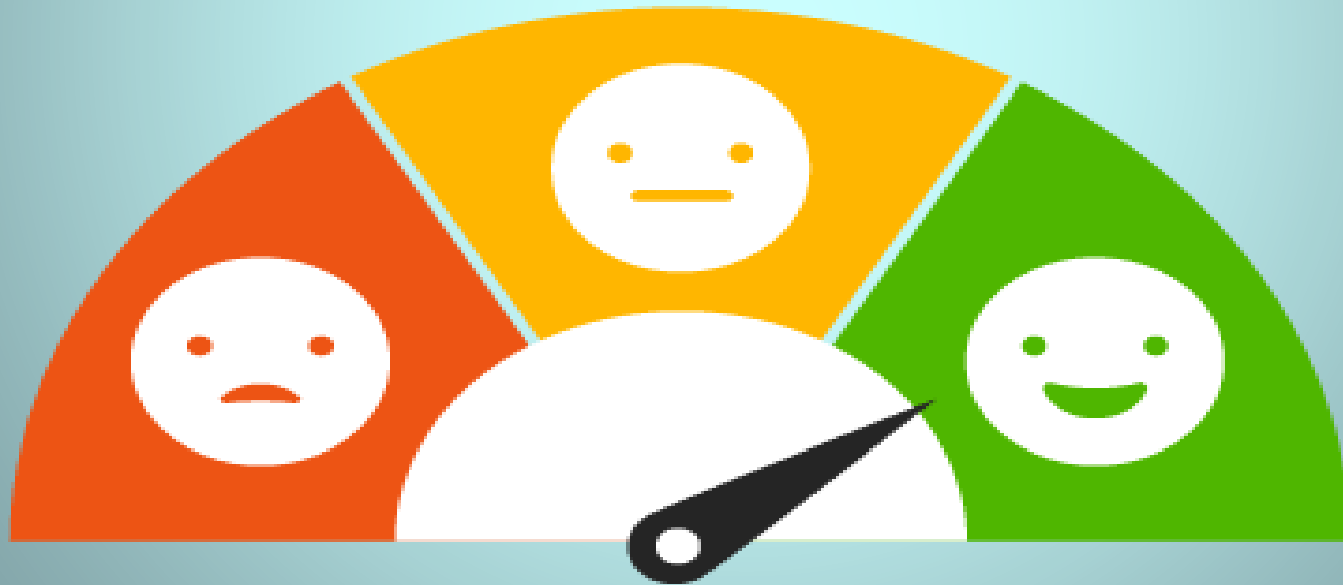
Perhaps,

- the employee wanted to leave early.
- the employee was suffering from a headache.
- the employee had personal or family problems
- The employee was not happy with the company
- The employee was not trained or motivated

- ❑ The alternative management approach is to put the **customer first and reward employees** for serving the customer well. You have to reward for what customers want from your business. It is wise to assess the customer's long-term value and take appropriate actions to ensure a customer's long-term support.
- ❑ Without customers, assets **have little value**. Without customers, a **new multi-million-dollar restaurant will close**, and without customers, a **\$300 million hotel will go into receivership**, with the receivers selling the hotel at a fraction of its book value.



The purpose of a business is to create and maintain satisfied, profitable customers . Customers are attracted and retained when their needs are met. Not only do they return to the same cruise line, hotel, rental car firm, and restaurant, but they also talk favorably to others about their satisfaction.



What is marketing?

- ❑ Marketing is the process by which companies create **value for customers and society, resulting in strong customer relationships** that capture value from the customers in return.
- ❑ The American Marketing Association defines marketing as follows:
“Marketing is **the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings** that have value for customers, clients, partners and society at large.”
(Middleton et al. 2009: 21)



Your Passport to Success!!!!

- ❑ As a manager in a global economy, marketing will greatly assist **your personal career and the success of the enterprise you manage.**
- ❑ In today's hospitality/travel industry, the customer is global and is "**king or queen**".
- ❑ This title is bestowed not because of hereditary rights but because customers have the ability to **enhance or damage your career** through the purchase **choices** they make and the positive or negative **comments** they make to others.

Your Passport to Success!!!!

- ❑ As a manager, you will be **motivating** your employees to create **superior value** for your customers.
- ❑ You will want to make sure that you deliver customer **satisfaction at a profit.**
- ❑ This is the simplest definition of marketing

Your Passport to Success!!!!

- ❑ If **marketers** do a good job of identifying consumer needs, developing a good product, and pricing, distributing, and promoting it effectively, the result will be *“attractive products and satisfied customers”*

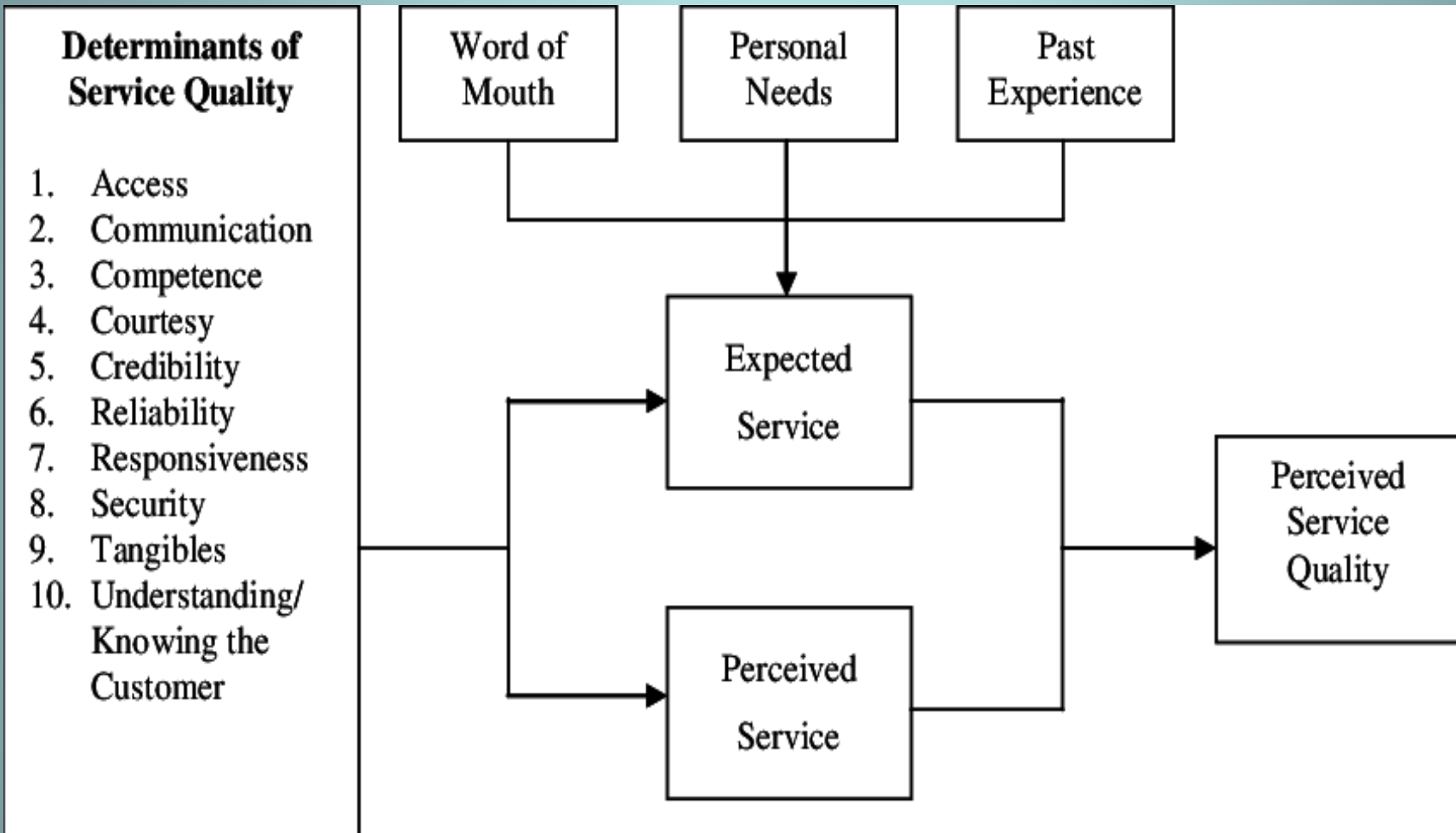
Then, what is service quality?

- ❑ Long-run overall evaluation of the firm's performance.
- ❑ Looks at how firms should perform
- ❑ Measures a higher **standard of service delivery**
- ❑ Expectations drive service perceptions



Loutpany,(2022), Smart life tourism and booking cartoon illustration vector,
<https://freedesignfile.com/upload/2019/08/Smart-life-tourism-and-booking-cartoon-illustration-vector.jpg>

Determinants of Perceived Service Quality



Sarmad Alshawi,(2022), Determinants of Perceived Service Quality,

[https://www.researchgate.net/profile/Sarmad-](https://www.researchgate.net/profile/Sarmad-Alshawi/publication/49402860/figure/fig1/AS:340937478819851@1458297237948/Determinants-of-Perceived-Service-Quality-Source-Parasuraman-A-Zeithaml-VA-and.png)

[Alshawi/publication/49402860/figure/fig1/AS:340937478819851@1458297237948/Determinants-of-Perceived-Service-Quality-Source-Parasuraman-A-Zeithaml-VA-and.png](https://www.researchgate.net/profile/Sarmad-Alshawi/publication/49402860/figure/fig1/AS:340937478819851@1458297237948/Determinants-of-Perceived-Service-Quality-Source-Parasuraman-A-Zeithaml-VA-and.png)

6 Effective Ways to Measure Service Quality

1. SERVQUAL

- ❑ is a service quality framework that was developed in 1977 by Zethaml, Parasuraman, and Berry
- ❑ Since then, it is considered as the most holistic framework for measuring service quality.
- ❑ the framework used **twelve aspects** to measure service quality, namely – security, communication, courtesy, access, tangibles, knowing the customer, responsiveness, reliability, credibility, competence, empathy and assurance..

2. Follow-up Survey

- ❑ Follow-up surveys allow you **to question** your customers regarding your service quality. They are better and more effective than post-service ratings and one-time surveys when it comes to capturing valuable customer insights.
- ❑ The follow-up surveys are more effective than the one-time surveys because they offer more time and space to your customers for response recording.

3. In-app Survey

- ❑ The in-app survey lets you ask questions to your **website** visitors while they are logged-on to your website or using your **app**.

- ❑ The in-app surveys allow convenient and relevant data collection and offer you **direct and swift insights into customer behavior**.

4. Customer Effort Score (CES)

- ❑ The CES or Customer Effort Score is one of the most reliable service quality metrics and was proposed in a post by the Harvard Business Review.
- ❑ Instead of focusing on “*delighting*” your customers, you must make it **as easy as possible for them to get their problems resolved**.
- ❑ instead of asking questions like “*How satisfied are you with XYZ service?*” you must ask, “*How much effort did it take to get your queries resolved?*”.
- ❑ The lower score indicates that your customers are easily getting what they want from you as a vendor.

5. Social Media Monitoring

- ❑ Social media has emerged as a powerful tool to be available to your customers **24X7**. For a generation that is always online, it is critical for a brand to be online as well.
- ❑ Social media monitoring offers the best digs when it comes to customers, and people in general, sharing their **brand experiences and frustrations online**.

6. Monitoring Service Quality Metrics

- ❑ Monitoring service quality metrics empower you to deliver an objective and quantitative analysis of your service.
- **Some of these metrics are:**
- **Volume per channel** (Tracking the number of inquiries from one channel)
- **Response Time** (Average time between different responses to the incoming queries)
- **First response time** (Time taken to send the first response to the incoming customer queries)
- **First contact resolution ratio** (Ratio of the number of issues resolved in the first attempt to the number of responses requiring more responses for resolution)

Quality metrics (cont')

- **Net Promoter Score** (It is gold standard customer experience metric that ranges between **-100 and 100** and shows the willingness of customers to recommend a particular brand offering)
- **Customer Success Ratio** (Ratio of the number of 100% satisfied customers to ones that were not able to find what they were looking for)

Relationship Marketing

- ❑ It is a marketing activity that focuses on **generating, retaining, and promoting customer relationships** for companies.
- ❑ Varey (2002) affirmed that relationship marketing changes **buyers' perception of being casual buyers to committed buyers through some marketing interventions.**
- ❑ Precisely, it is all about building **a strong bond** with customers in the long term.

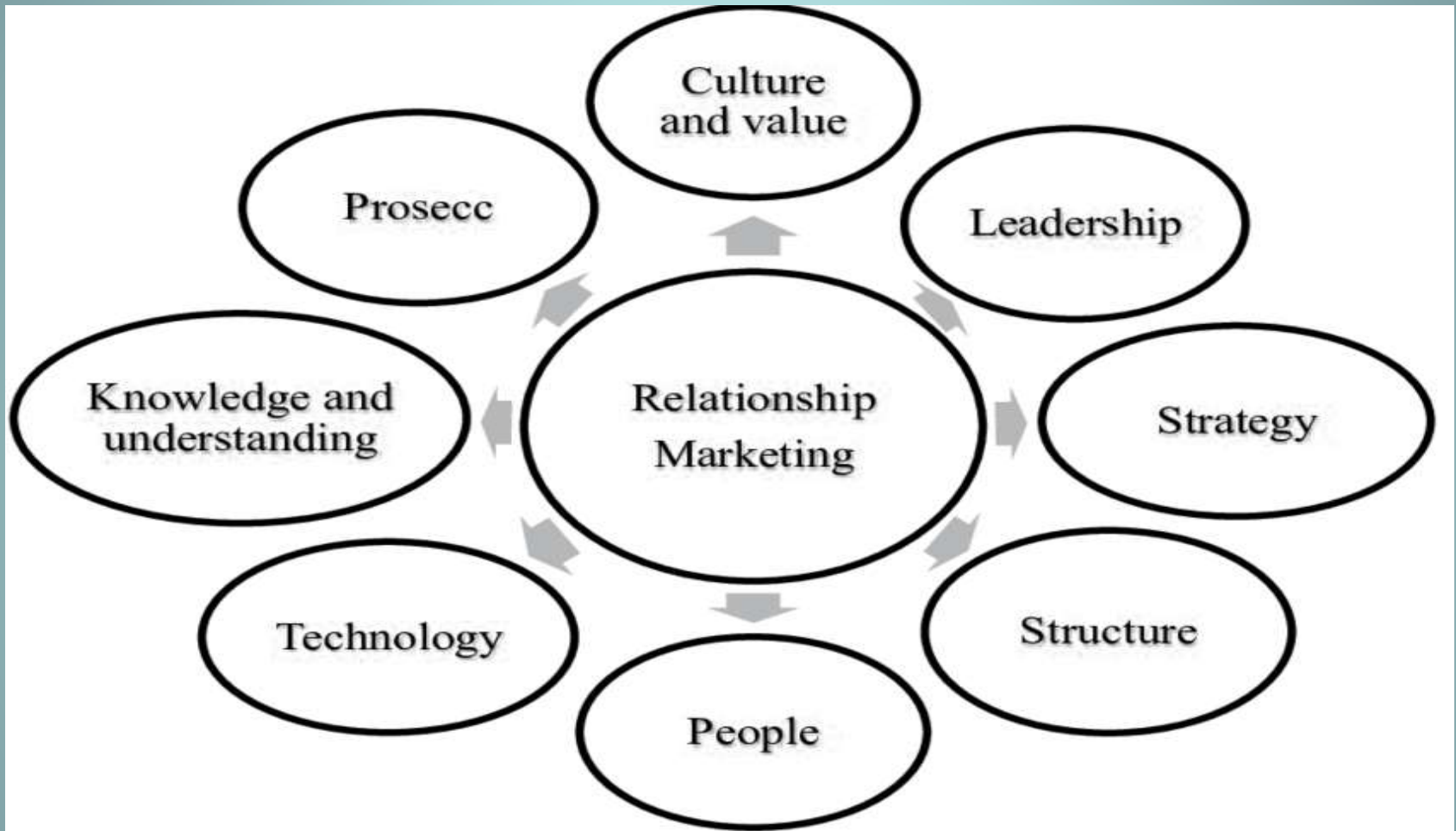
Relationship Marketing (cont')



Vijay Mandeep,(2019) Relationship Marketing: The key to Retaining Customers for Life, <https://artplusmarketing.com/relationship-marketing-the-key-to-retaining-customers-for-life-c8e04f25a6f9>

Relationship Marketing (cont')

Elements of relationship marketing



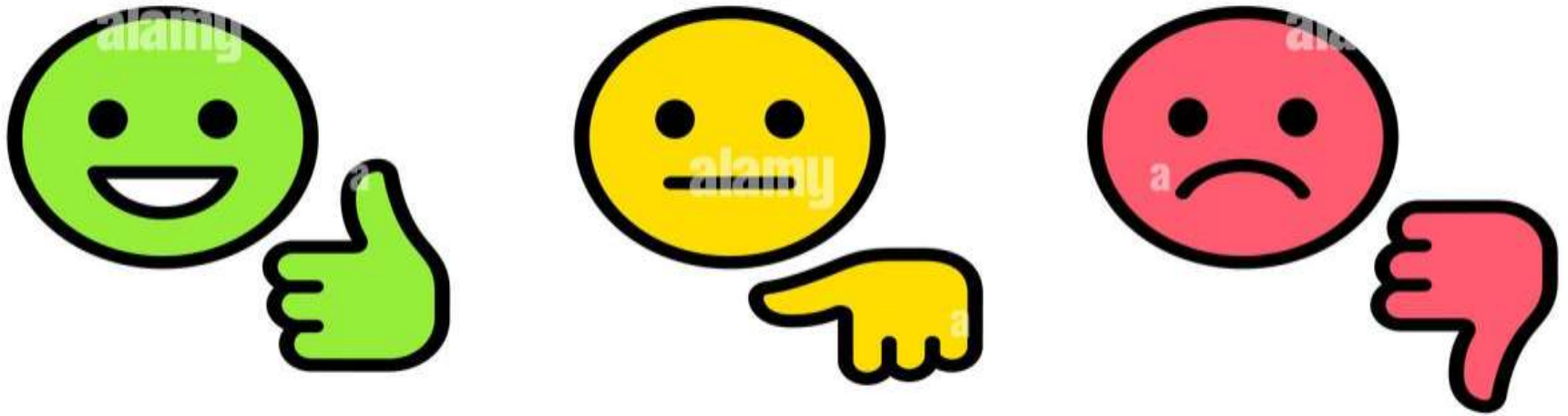
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[https://www.researchgate.net/profile/Olena-](https://www.researchgate.net/profile/Olena-Stryzhak/publication/343765979/figure/fig1/AS:943846456311808@1602041939224/Elements-of-relationship-marketing.png)

[Stryzhak/publication/343765979/figure/fig1/AS:943846456311808@1602041939224/Elements-of-relationship-marketing.png](https://www.researchgate.net/profile/Olena-Stryzhak/publication/343765979/figure/fig1/AS:943846456311808@1602041939224/Elements-of-relationship-marketing.png)

Customer Satisfaction

- ❑ Homburg and Giering (2001) considered satisfaction as a **post-choice evaluative judgment** on a specific purchase decision taken.
- ❑ Zethaml and Bitner (2000) defined it as **the customer assessment of a product or service concerning whether the product or service meeting the consumer's needs and expectations.**

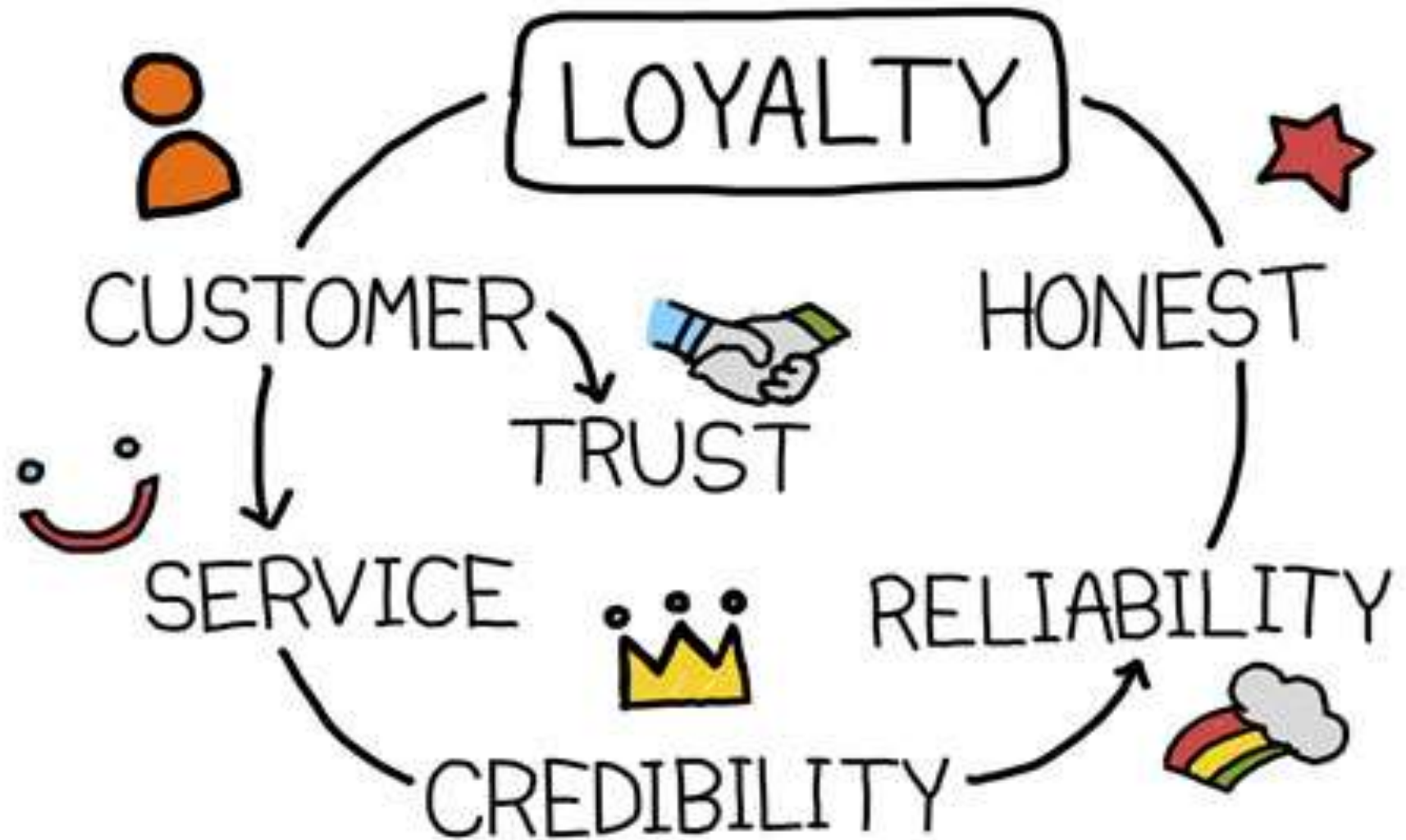


Sudowoodo,(2021), Customer feedback rating scale, smiley face with thumbs up and down. Good, bad and neutral evaluation. Vector emoticon icons, <https://www.alamy.com/customer-feedback-rating-scale-smiley-face-with-thumbs-up-and-down-good-bad-and-neutral-evaluation-vector-emoticon-icons-image445975828.html?imageid=FA494FD3-552A-41EE-BD97-F1B606A0A42B&p=846793&pn=1&searchId=4087e20ea6a251cad348332870266f6b&searchtype=0>

Customer Loyalty

- ❑ loyalty means a **deep repurchase commitment** of a customer to a firm and its product at the expense of what the competitor offers (Oliver, 2001).
- ❑ It is the purchaser's repeat behavior for either the same products or any other products at a particular store (Seock, 2009).
- ❑ a customer that will exhibit **attitudinal loyalty** will not change to a more attractive alternative but exhibits a **high degree of attachment to the existing product or service.**

Six Ways to Improve Customer Loyalty



Marketing Hospitality Services

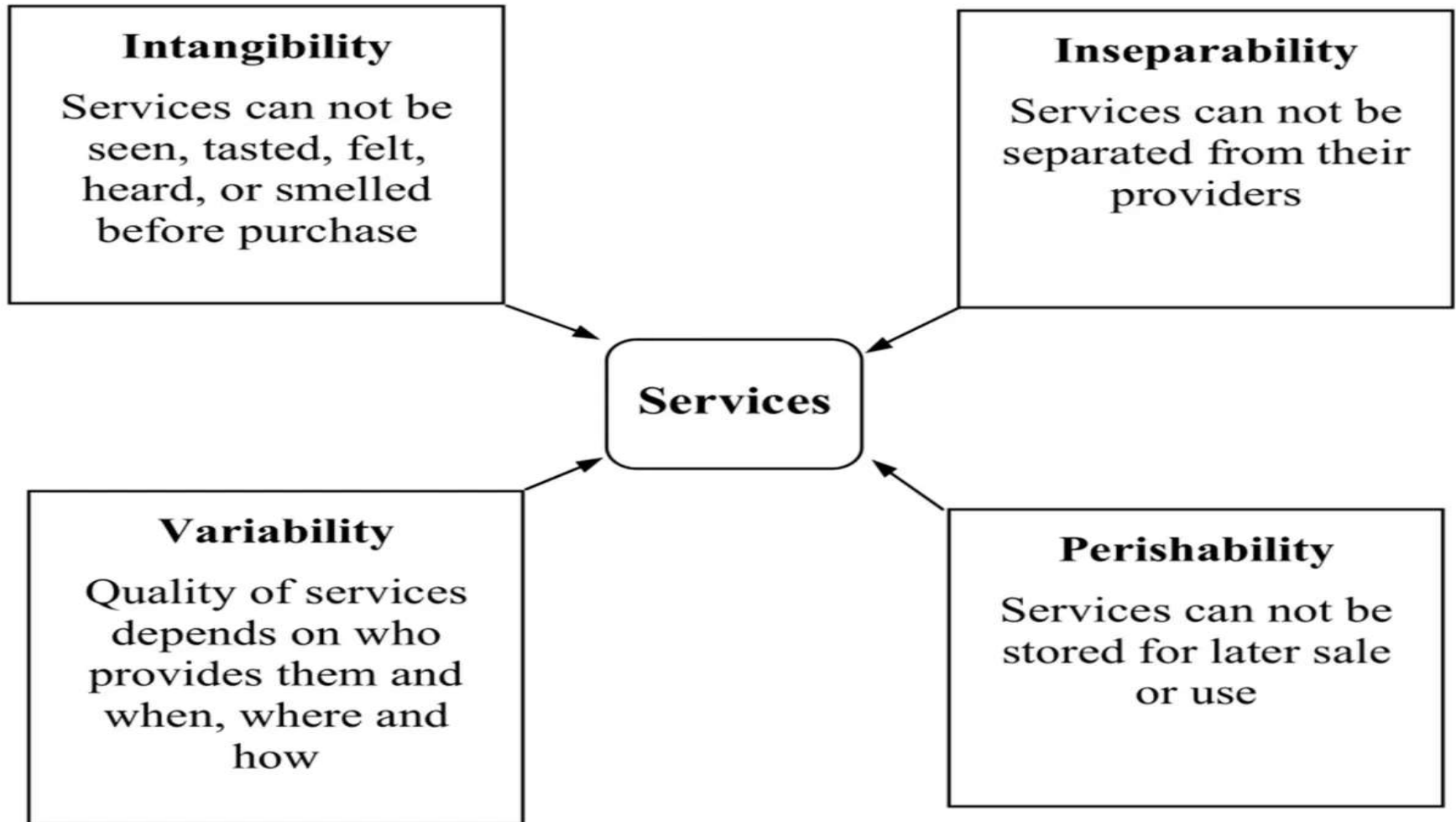
Hospitality marketing is centered on thinking about the business in terms of **customer needs and satisfaction**. Hospitality marketing takes a look at how different sectors of the hospitality industry (e.g. **accommodations, food and drink, tourism and travel**) develop marketing strategies to promote their **products or services**, resulting in an increase in **revenue**.



APA News, (2020), Kigali ranked second least expensive E/African city,

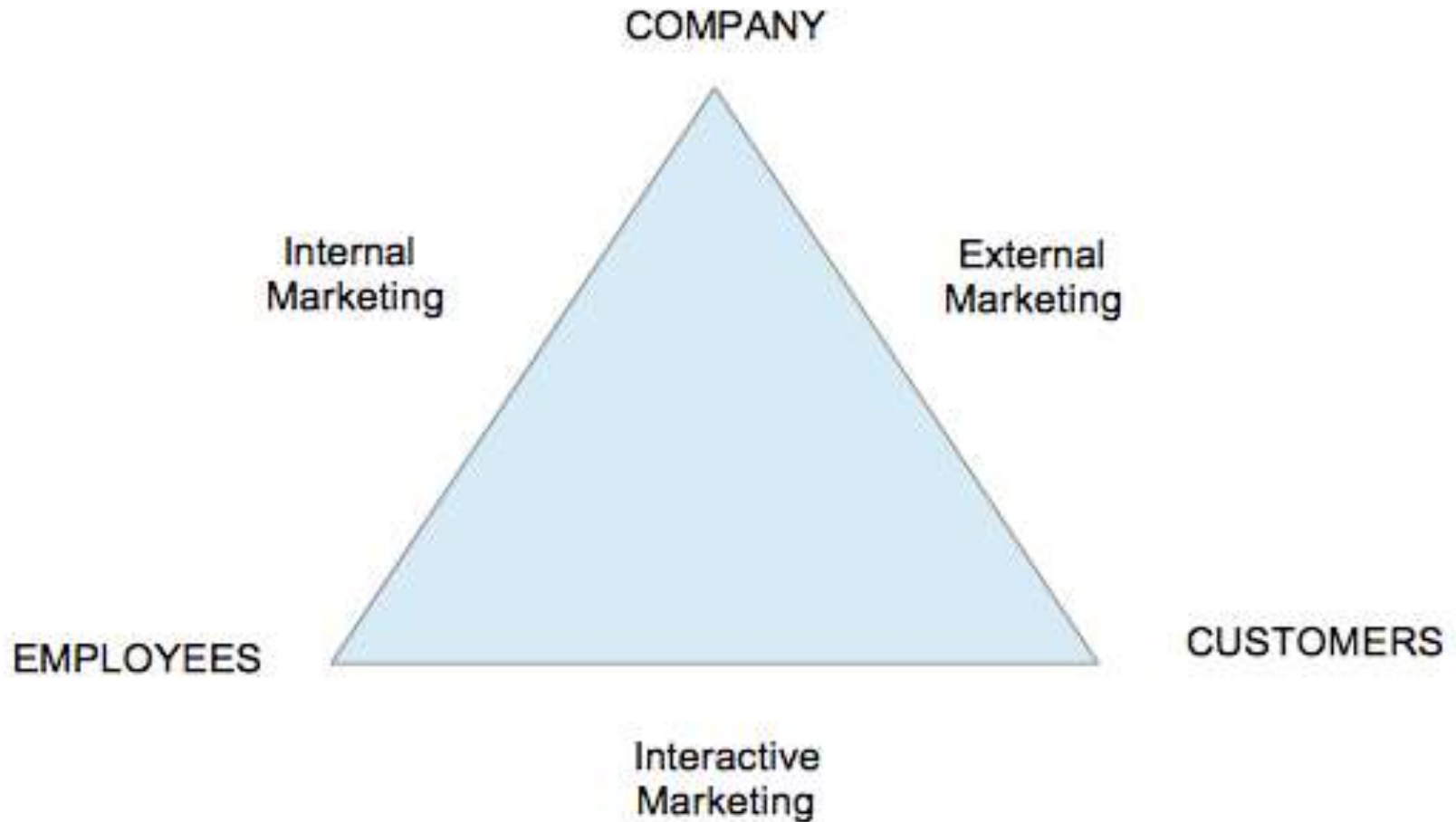
<https://www.journalducameroun.com/en/wp-content/uploads/2020/06/15930840685151-780x440.jpg>

Service Characteristics



iEduNote.com

Services Marketing Triangle



Market competitive strategies

- ❑ **Market leader:** is the firm with largest market share and leads the market price changes, product innovations, distribution coverage and promotion spending
- ❑ **Market follower:** is a firm that wants to hold onto their market share
- ❑ **Market challenger:** is firm fighting to increase market share
- ❑ **Market nicher:** is firm that serve small market segments not being pursued by other firms

Let sum up:

We have learned:

- ✓ What is marketing
- ✓ The concepts of customer satisfaction, relationship marketing and customer loyalty
- ✓ Service quality and its determinants
- ✓ Tools for measuring service quality
- ✓ Service characteristics of tourism and hospitality
- ✓ Marketing competitive strategies.

Reference

- 1] Kotler ,.B (2014) Marketing for Hospitality and Tourism Industry, p 5-17, <https://www.pdfdrive.com/marketing-for-hospitality-and-tourism-6th-edition-e178412795.html>
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Thank you!

Next lecture: Marketing plan

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