
UNIT 25 STAR CATEGORY HOTELS

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25.0 OBJECTIVES

After reading this Unit, you should be able to understand:

- the characteristics of accommodation marketing,
- the different concepts of marketing activities,
- the seven different demand states and the marketing tasks they entail,
- various steps involved in designing marketing strategy, and
- challenges and problems peculiar to marketing in Star Category Hotels.

25.1 INTRODUCTION

Marketing is an all pervasive activity, whether it be for goods or services, or it be for profit or non-profit. The tourism industry itself includes a lot of marketing efforts for destination, event as well as accommodation. In each of these, the extent and nature of marketing differs.

Accommodation marketing can be understood through various approaches. The ultimate goal remains the same, that more and more customers should avail the facilities of accommodation that the Star Category Hotels are providing.

However, the paths to reach this goal can be varied. In this Unit, we will study three different methods. It should, however, be understood that these methods are not independent of each other. They provide alternate routes to reach our marketing goals. These routes are inter-linked and can also be used to support one-another. The three different methods dealt with in the Unit are:

- Studying the marketing activity concepts and analysing which one is most suitable for our hotel.
- Understanding the various demand levels that exist and the marketing task associated with each one.
- Developing a marketing strategy as per the hotel's mission.

25.2 ACCOMMODATION MARKETING

As studied in previous Units the marketing of goods is quite different from marketing of services. Accommodation marketing falls in a category in between the continuum.



25.2.1 What is it ?

Accommodation marketing has the following aspect of goods as it includes:

- room of a particular size,
- furnishings, and
- physical location of the hotel.

The services element would include how:

- well coordinated are the furnishings,
- comfortable is the room,
- pleasant is the staff, and
- quick and efficient the room service is, etc.

It is a right mix of these that gives a final impact to the accommodation which the guests would like to have.

Accommodation marketing would thus involve mixing the various elements of the two goods and services in the accommodation in a manner that would satisfy the needs and wants of the guest in the best possible manner. Another aspect linked with the mix is the **environment in a hotel**. This may include a variety of things like ambience, calmness, comfort, sense of security, etc.

25.2.2 Its Characteristics

When a marketing strategy is being designed for a Star Category Hotel, the marketer has to keep in mind the characteristics peculiar to the goods and services associated with accommodation. They include:

- 1) **Intangibility:** The services that go along with accommodation are intangible and it becomes nearly impossible for customers to get the feel of the room before they actually rent out the room.

Many hoteliers understanding this problem, introduced FAM trips. These trips are conducted at different intervals of time. Prospective clients (travel agents, tour operators etc.) are taken on a free trip to different hotels. Only on staying there, they get the feel of the place. They might like to repeat the experience or would be able to recommend the hotel with more confidence to their clients.

- 2) **Heterogeneity :** It becomes very difficult to standardize each unit. Each unit though supposed to be providing the same service, in actuality finds it difficult to do so. Though there may be 20 A/C Deluxe suites in the hotel, each one's location in the hotel, the decor, etc. would be different. The room service for a particular room may be better than the others. The difference might also occur on different days when different service personnel are on duty.

The task of marketing here is to ensure consistency of quality control. Here it is important to understand that quality is something that would be defined by the guest (customer)

and not by the hotelier (seller). The hotelier might feel that his hotel is the best but unless and until the guest also feels the same, accommodation demand in the hotel might not pick up.

3)

Perishability and Fluctuating Demand: Services are highly perishable - empty seats in a restaurant and unreserved hotel rooms are both examples of business that is lost forever.

Fluctuating demand implies that demand is not the same, but differs from day to day and week to week. It is because of this perishability and fluctuating demand combination that hotels offer special room tariffs. A hotel in Mussorie has peak rates in summer where as Calcutta hotels may have higher tariffs in October because of the high demand during these months.

25.3 MARKETING ACTIVITY CONCEPT

In the words of marketing specialist Peter Drucker "Marketing is so basic that it can not be considered a separate function It is the whole business seen from the point of view of its final product, that is from the customers point of view".

There are five different concepts under which the organisations carry out their marketing activities. Each hotelier has to understand these concepts and then decide which activity would be most suitable for him or her.

25.3.1 Production Concept

Under this concept it is believed that a customer will favour those products that are widely available and low in cost. Here the role of management is to concentrate on achieving high production efficiency and wide distribution coverage.

In terms of hotel we can interpret it to be the wide availability of rooms at various locations intracity as well as intercity. The problem that is very often faced in this kind of situation is that though accommodation might be readily available the emphasis on quality and services is not there. Hence, it can satisfy only one particular kind of market segment. As a wide spread mass marketing strategy it would not be fully successful. Its utility lies in the aspect that mass operations would reduce the operating costs but the decision has to be a trade-off between costs and quality.

25.3.2 Product Concept

Here it is believed that customers will favour those products that offer the most quality, performance and features. The focus of marketing is to make good products and improve them from time to time.

In the tourism industry we have hotels that build up their reputation for quality and not only maintain but strive to improve it over a period of time. It is the implementation of this concept which improves the quality of hotel rooms. For example acquire fans, while earlier they were just well-ventilated. From fans the progress was to more sophisticated fans and from that to room coolers and to air conditioners. All this helped to make the customers happier and happier.

However when taken to excesses it can create a marketing myopia. That is if undue concentration is given to improving quality without bothering about the needs of the customer. As an example it might lead to a hotel having initially coir carpets, improvement would lead to synthetic carpets, then pure wool carpets, then Kashmiri carpets and then Persian rugs. The problem that then arises is that not all kind of customers would be willing to pay for the additional facilities, for they never felt the need for these extras. It is this improvement in this product that made a firm develop a perfect mouse trap. The product was excellent, however perfection has its cost and there were very few buyers for it.

25.3.3 Selling Concept

Here it is believed that a consumer, if left alone, will ordinarily not buy enough of organisations products. The marketing here undertakes an aggressive selling and promotion effort.

In India, it is the aggressive selling concept which is most popular. The goal here becomes to get the sale irrespective of the post purchase satisfaction. This can be explained by the following example. A prospective customer walks up to the hotel reception and asks for A/C deluxe suite. Let us suppose that A/C deluxe suites are fully occupied but a single non-A/C room is available. The receptionist then tries to judge the 'prospect' that his purpose would be equally well served by the non-A/c single room. That would be sales. The customer might stay in the non-A/C room. The hotel would therefore increase its occupancy but the problem would arise for the future, because the customer though temporarily satisfied with the room would not be a regular future customer since his needs were not met fully the first time. Selling activity might lead to short term profits but in the long run it would lead to customer dissatisfaction.

25.3.4 Marketing Concept

The key to achieving organisational goals under this concept consists of determining the needs and wants of target customers and delivering the desired satisfactions more effectively and efficiently than competitions.

The difference here is that while selling focuses on the needs of the seller, marketing is concerned with the need of the buyer.

Continuing the previous example (Sub-sec. 25.3.3) the receptionist could have made the customer comfortable in the lobby, then checked up with neighboring hotels for a suitable room and helped the customer transfer to that hotel. Though the hotel would have missed this particular sale but they would have got a very loyal customer for the future. Not only that, the publicity that the customer would do through word of mouth would be priceless. It should, therefore, be the aim of the Star Category Hotels that though the guest enters the hotel as a stranger, he should leave it as a friend and the hotel's efforts should be directed in not letting this friendship end.

25.3.5 Social Marketing Concept

It believes that the organisational task is to determine the needs, wants and interests of target markets and to deliver satisfaction in such a way that it preserves and enhances the consumer's and society's well being.

It means satisfying the interests of the consumer in a way that it does not, harm the society. For example the hotel guest may be a chain smoker and it would be important for him to have his needs satisfied. Yet to maintain a balance in the society certain areas should be designated as 'No Smoking Areas'. Putting the larger interests of the society ahead of the guest's needs is an ideal difficult to follow, but one who can do it, has won over the goodwill of the people and is the ultimate winner in the long race to achieve leadership in the field.

Check Your Progress-1

- 1) What are the special characteristics of goods and services in accommodation marketing?

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- 2) Explain Product Concept and Social Marketing Concept in the context of accommodation marketing?

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25.4 DEMAND LEVELS AND MARKETING TASKS

The marketing task that any hotelier has to undertake is firstly dependent on his organisation's philosophy which is exemplified by the Marketing Activity concept that he would have chosen to reach his goal. However, another dimension to this decision is given by the levels of demand which exist for his product. Each level of demand calls for different marketing tasks to be undertaken. Let us analyse each one of them.

- 1) **Negative Demand:** If a major part of the market dislikes the product and may even pay a price to avoid it, it is termed as negative demand. We illustrate this with the following example. In a medium business town, ABC felt that the absence of any other hotels would assure them good business. They spent crores of rupees in acquiring a palace for their hotel, but to their surprise they discovered that even the well-to-do guests would go to unstared hotels yet would take pains to avoid their hotel. The marketing task for ABC became to analyse the reasons for it and then to start for a positive promotion Programme. The reason they finally unearthed was that the palace had two suicides and was considered unlucky. To overcome these rumors, the management decided to have massive advertising culminating in a **pooja** ceremony where religious leaders were called on to bless the hotel. The sales soon picked up.

The marketing task involved in this **conversional marketing** is to analyse the reasons for negative demand and to try and change the marketing beliefs and attitudes.

- 2) **No Demand** is said to exist when the target customers are uninterested or indifferent to the new product.

The marketing task obviously becomes to find ways and means to correct the benefits of the product with the customer's natural needs and interests. This is called **stimulational marketing**.

- 3) **Latent Demand** is said to exist when a substantial number of consumers share a strong desire for something that cannot be satisfied by an existing product or service.

The task of marketing is to measure the size of the potential market and develop effective goods and services to satisfy the demand. This is **developmental marketing**. For example, a hotel chain already had a four star hotel in the heart of Delhi. However, when an industrial township, NOIDA, came up on the outskirts of Delhi, they decided that a sufficient demand for their hotel service existed which could be better met by establishing a three star hotel in NOIDA. Successful establishment of their NOIDA hotel has lead them to explore other nearby township for the latent demand of their hotels.

- 4) **Falling Demand:** Each and every organisation sooner or later faces falling demands for one or more of its products. The marketers must understand and analyse the reasons for the falling demand and use creative re-marketing to once again re-establish themselves.

This is the reason why star category hotels keep organising various food festivals. It removes the monotony and slump for the demand of their product.

- 5) **Irregular Demand** is one of the major problems faced by hotels. These occurs because of variation in seasonal, weekly and even hourly demand. It leads to problems of underutilised facilities or overworked staff. A proper analysis and streamlining of produces would go a long way in eliminating the problems that go with this kind of demand.

Offering season discounts and employing part-time help in the rush seasons are examples of smoothing the fluctuation in demand.

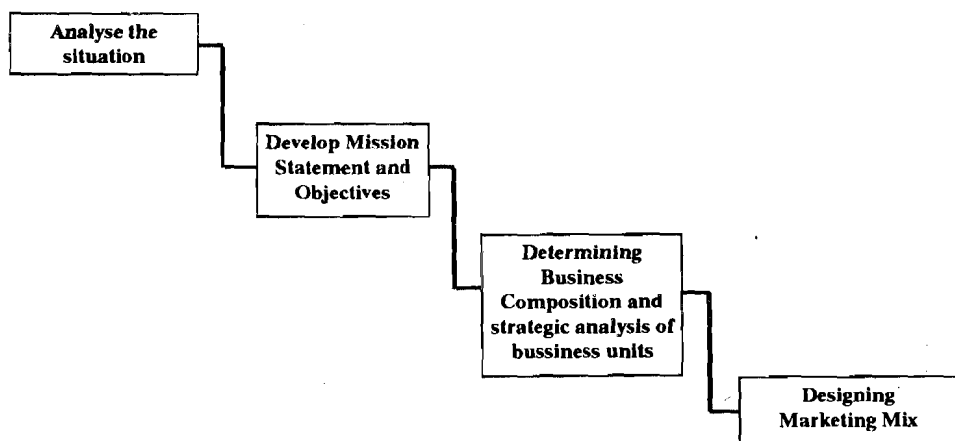
- 6) **Full Demand:** Organisations face full demand when they are pleased with the amount of business in hand. The marketing task however does not end here. They have to maintain the current level of demand in the face of changing consumers preference and increasing competition. The organisation must keep up its quality and measure consumer satisfaction on a continuous basis to ensure it is doing a good job.
- 7) **Overfull Demand:** Some organisations face a demand level that is higher than they can or want to handle. The marketing task here is called 'demarketing' and it requires finding ways to reduce the demand temporarily or permanently. Though this does sound strange or bizarre, but it is quite a common phenomenon in Star Category Hotels. The methods to reduce the demand consists of such steps like raising prices and reducing promotion and services. In most cases it is selective demarketing that occurs. This involves reducing the demand coming from those parts of the market which are less profitable. It must be remembered that demarketing does not aim to destroy demand but only to reduce its level.

25.5 FORMULATING MARKETING STRATEGY

The earlier two methods discussed involved choosing a particular alternative from the given set of alternatives. They are simple procedures and not very analytical. However, a more methodical way would be to design a marketing strategy that is unique to the given situation.

A strategy is defined as a sequence of activities that lead to a grand design for business success. Strategic planning is the managerial process of developing and maintaining a viable fit between the organisation's objectives and resources and its environmental opportunities.

It should be understood that there is no one strategy that is optimal for all hotels. Each hotel must determine, what makes the most sense in light of its position in the hotel industry and its objectives, opportunities and resources. The overview of strategic planning process is represented in the following diagram.



Formulating Marketing Strategy

25.5.1 Analyse the Situation

A very crucial step of analysis, is the preliminary study to be undertaken. In this, it involves assessment of the uncontrollable influences of the external as well as internal environment.

Macro environment consists of the elements outside the control of the organisation but which influences the activities of the organisation. Broadly speaking they consist of:

a) **Social Environment or the demographic environment.** Some of the aspects which are relevant to hospitality industry are:

- i) More Professionally managed companies vis-a-vis family businesses. This has led to the requirement of staying in good quality hotels when on a business tour. Similarly, the entry of Multi- National Companies has led to the requirement of hotels which can offer the best to international business travellers as compared to any other part of the world.
- ii) Youthful Entrepreneurs: More and more middle and senior level managers are below 45 years of age. These young and successful executives, not only demand the best conference and secretarial facilities but also relaxation and sports facilities.
- iii) More ladies travelling alone lead to an increased demand of beauty parlours, boutiques and baby sitter service in the hotels.

b) **Economic Environment:** The total purchasing power is a function of current income, prices, savings and credit availability. The major trends which are influencing the economic environment are:

- Rise in double income families leading to more disposable income per family.
- More and more utilisation of credit facilities.
- Low savings and high debt.
- Majority consumers (guests) in metros and corporate clients.

c) **Political Environment:** This influences according to the emphasis that the government places on the hospitality industry. Over the last couple of years the government decided to boost up the tourism industry which lead to a greater influx of foreign tourists. As a result incentives were given to the hotel industry in the form of loans, land allotment etc.

On the other hand certain political decisions like the implementation of total prohibition etc. have led to a decline in hotel occupancy in those areas.

d) **Technological Environment:** Technological advancement is one of the most dynamic elements of the environment in case of star category hotels. This has made the general public aware of the facilities available world wide and has consequently increased the expectation levels of the customers. Booking of hotel rooms from anywhere in the world, express check-ins, simultaneous translation of conferences, credit payment acceptability are all examples of the change that technology has brought about.

e) **The Micro Environment:** This consists of the elements in the hotel's immediate environment that effect its ability to serve its market. The major influences are :

The Hotel Itself : The attitudes, hopes and beliefs of the top management influence to a great extent what the organisation can/can't do. For example, a hotel following a strict hierarchical setup might discourage the junior employee in settling a complaint of the guest then and there. Similarly, the Financial Department is concerned with the availability of funds to carry out the activities in the organisation. It influences the level of risk that the marketing department of a hotel can undertake.

The Purchase Department's task is to procure and make available supplies to the rest of the hotel. Any laxity in it would pose problems to the operations of other departments including the marketing department.

We can, therefore, understand that all departments in the hotel would influence each other in a symbiotic manner.

Suppliers are the business firms and individuals who provide resources needed by the hotel in order to produce the particular goods and services. The suppliers have to be chosen on the basis of best mix of quality, delivery reliability, credit, warranties and low cost.

The forecasted marketing volumes should keep in mind supply shortages, labour strikes and other events that can interfere with fulfillment of delivery promises to customers. Supplies for hotel can range from items like soap, shampoo, towels to services like room services and laundry services.

- f) **Marketing Intermediaries:** These are firms that aid the hotel in promoting and selling its rooms/services to the final buyers. In the hospitality trade, it is the intermediaries (tour operators, travel agencies, etc.) that can make or break the hotel sales. Almost all the hotels follow a policy of giving a commission to the trade agents according to the volume of business that they help in procuring.

Advertisement agencies and public relations firms are also intermediaries that help the hotels in targeting and promoting their products to the right market segment.

Financial institutions are yet another example of intermediaries that can influence the level of sales. By providing financial assistance (like credit card facilities, etc.) to customers for their transaction they aid the marketing plans of the hotels.

- g) **Customers:** Each customer market exhibits specific characteristics that warrant careful study by the Hoteleir. The customer market is broadly divided into the following categories:

- i) Tourists - Domestic, international,
- ii) Corporate clients, and
- iii) Travel agents or tour operators as resellers.

- h) **Competitors:** A hotel rarely stands alone in the goods/services it offers to its customers. The accommodation demand and supply situation at a destination has its impact on the hotel and the business competition. For example, if a hotel comes up with an U.S.P. (Unique Selling Proposition) it is soon copied by its competitors. It, therefore, becomes necessary to identify, monitor and outmaneuver competition to gain and maintain customer loyalty.

25.5.2 Defining Corporate Mission and Objectives

A study of the macro and micro environment, would indicate the opportunities and threats that are present in the environment.

These opportunities and threats are studied in relation to the strengths and weaknesses which are inherent in the organisation. Based on the SWOT (Strength, Weakness, Opportunity, Threat) analysis, the hotel management must decide the nature and scope of their operations and then make whatever adjustments are necessary over a period of time. The corporate mission establishes several important guidelines for planning like :

- The hotel's reason for existence and its responsibilities towards its stockholders, employees, society, guests etc.
- identifying which need of the customer is to be satisfied,
- the extent of specialisation,
- Management's performance expectations for the hotel.

Since it is the corporate mission which becomes the source and focus of its energy over the coming years, it is necessary to maintain clarity. An example would clarify further.

In the U.S.A., in early seventies, Holiday Inns was the world's largest hotel chain with over 3,00,000 rooms. It decided to broaden its business definition from the hotel business to the travel industry of which hotels are only a part. It implemented this by acquiring Trailways the nation's second largest bus company and Delta Steamship Lines Inc. However, Holiday Inns failed to manage these companies well and in 1978 divested Trailways Inc. as well as sought a buyer for Delta. Holiday Inns decided to stick to the 'hospitality industry' and blanket this industry with alternative room and food systems (Business Week, July 21, 1980). Hence, objectives should be realistic, specific and consistent. The marketing objective would indicate the rate and growth of market share e.g. a new chain of hotels might set up its objective of capturing 70% of room occupancy in its 3rd year of existence.

25.5.3 Composition and Strategic Analysis

Once the hotel is clear about its mission and has stated its objectives, it then needs to review its current portfolio of business and decide what to do with each business. Ideally a hotel should demarcate different SBU (Strategic Business Unit). Each SBU should have a distinct mission, a responsible manager, and can be planned independently of other SBUs. The different hotel units of a chain constitute independent SBUs. Each SBU has to be evaluated for its profit potential. Normally four different objectives can be pursued for the SBUs.

- **Hold** i.e. to preserve the SBU's market share.
- **Build** – It becomes appropriate for SBU with low market share but high growth of the market.
- **Harvest** – becomes useful if it is the short term gains which are more important than long term benefits.
- **Divest** – Here the objective is to sell or liquidate the business because resources can be better utilised elsewhere.

25.5.4 Designing Marketing Mix

After the identification of the objectives of each SBU – namely hold, harvest, build or divest, it becomes the task of each functional department to plan how it can achieve the stated objectives. For the marketing department, designing the right mix of marketing activities to tap the target market segment is the most creative step. You are aware that the marketing mix consists of four Ps – **Product, Place, Price and Promotion**. These four elements have to be blended in a manner to give a synergistic effect.

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

If the objective of the SBU is to 'hold' then it has to be decided, what modifications in the product/service are required to enable the SBU to maintain its position in the market.

In the hotel industry **Place** or **Distribution** is of prime importance to decide the location of the hotel. It is on this decision that the future of the hotel depends. Some hotels prefer to be located in the heart of the town, whereas others decide to be a little away from it and maintain an aura of isolated elusiveness.

For any kind of good/services pricing is a crucial decision. Too low a price might cast aspersions on the quality, too high a price might make it out of reach for the clients. The product cost gives the floor to the price, the USP puts the ceiling on the price and price of substitutes provides an orientation to the price that finally gets set. Pricing policy also has to determine the discounts that can be offered to customers. Discounts can be:

- Cash discounts,
- Quantity discounts,
- Discount to trade channel members,
- Seasonal discount, and
- Special promotional discounts, etc.

Marketing not only calls for developing a good product, pricing it attractively and making it accessible to target customers but also communicating it to their customers through promotion. For most hotels it is not a question of whether or not to communicate but how much to spend on what and through which different means. For promotion there are four different tools that can be used:

- a) **Advertising** is the most readily understood form of promotion. It is paid form of non personal presentation by identified sponsor. In the Star Category Hotels it consists of print and broadcast ads, mailing, house magazines, posters, symbols and logos.

- b) **Sales Promotion** are short term incentives to encourage purchase or sales of products of services. Contests, exhibition, demonstrations, special event festivals, entertainment etc. are all example of how sales promotion can be used to encourage more client response in hotels.
- c) **Publicity**, at times confused with advertising, is however a distinct form of promotion, for it consists of presentation that is not paid for by the sponsor. Publicity is handled by the Public Relation Department and it is very crucial for star hotels. Since it is not paid for by the sponsor, it carries an aura of authenticity. Publicity includes planting commercially significant news items in newspapers, magazines, T.V., radio etc.
- d) **Personal selling** The fourth dimension of promotion, is the oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales.

When we consider the case of Star Category Hotels, we are assured of a good product, (that is why it is in Star Category), the location (place) would have been chosen with care when investing crores of rupees in it and the price generally would be at par with the competitors. That is why, we are left with promotion which becomes the most important marketing tool to distinguish one hotel from the other. In Star Category Hotels the relative ranking in terms of importance for these promotion tools are :

- 1) Personal selling
- 2) Publicity
- 3) Sales Promotion
- 4) Advertising

The major chunk of business in hotels comes from corporate clients, that is why personal selling assumes significance. It is the task of marketing staff of hotels to identify and tap new corporate clients. It enables the marketing executive to clearly understand the specific needs and wants of the client and accordingly make adjustments. It develops a relationship between the hoteliers and client, and the buyer at times feels under some obligation for having listened to the sales talk. Though it is the most expensive promotion tool, yet its distinct advantages make it an important one.

Publicity is advantageous since it catches the prospects off guard and carries a high believability factor. Publicity can make or destroy the reputation of a hotel.

Sales promotion assumes importance, since it invites the customer to avail the facility now, as against a future unspecified time. It gives an inducement to act now. It comes in handy to tide over low seasons.

Advertising, has the advantage of being pervasive but at the same time it has a feeling of being impersonal that is why in the hospitality industry it is not of prime importance. However it does have its advantages in building up awareness and acting as an efficient reminder. Advertisements carrying return coupons helps to generate leads and also act as a kind of reassurance in the post purchase phase. They are also useful in informing the target market about new facilities and services, discounts, etc.

25.6 CHALLENGES AND PROBLEMS

Although Star Category Hotels, by virtue of having got star accreditation enjoy a distinct advantage vis-a-vis other accommodations, they still have to make efforts to market their services. In their marketing strategy they too face problems which are peculiar to them.

- 1) Being high profile hotels, they are always under scrutiny, both by the public as well as competitors. In a dog-eat-dog kind of competition the underdogs do not stand a very good chance. It is therefore imperative for these Star Category Hotels to have good linkages with the tourism and travel trade. Being members of different recognised associations is also necessary.
- 2) Since publicity plays an important role, the hotels have to avoid negative publicity at all costs. All their dealing should be above board. Once their reputation gets tarnished it is a very difficult task to build it up again. One dissatisfied client, can cause untold

damage through word of mouth publicity. As such the quality level of services to be maintained should be of highest standards.

- 3) Pricing Policy is another challenging aspect in Star Category Hostels. A very high price might make it uncompetitive, but a very low price also cannot be kept since it might give a wrong indicator of low quality and services.

Good quality accommodation is one of the goods/services which does not follow the economic equation which states that "lower the price of a product the higher would be the demand for it." Hotel accommodation has a 'Snob Appeal' as such it has to have a reasonably high price, which would be indicative of higher quality. Here the term, value for money should be understood i.e. at the given price more features or benefits should be included.

Discount Policy also is an area where a lot of ambiguity exists. In the hotel industry it is common to offer discounts based on the volume of business being given to it.

The AVON HOTEL was getting a good business through their corporate client Business House (100 rooms occupancy in an year). As such they were offered a discount of 20% which was mutually satisfactory to both parties. A travel agency TRAVEL WELL promised AVON HOTEL a business of 150 rooms an year. Subsequently, they managed to wrangle a 30% discount. In order to achieve its target TRAVEL WORLD offered Business House a 25% discount and made them their clients. The ultimate loss was for AVON HOTELS.

The above example clearly brings home the challenge that hotels face when deciding on the discount strategy.

Fluctuating demand is yet another problem. The solution to this becomes **synchro marketing** which implies synchronisation of the resources with the opportunities. In the hot cities of the country, occupancy is low in summers. That is when hotels have to come up with cool offers like swimming or cold drinks or ice-cream festivals, or even a good family discount helps to tide over the lean period. New ways and means have to be always considered to make it attractive to the clients.

Problems and challenges do exist, but that is when the true mettle of a hotelier can be judged. The one who can anticipate the problem and take steps to overcome it, is the one who becomes a leader in the field.

Check Your Progress-2

- 1) Explain the following in 50 words:

Negative Demand

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Latent Demand

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- 2) What are the constituents of the Micro Environment and how do they influence marketing?

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- 3) List some challenges that the Star Category Hotels may face in marketing.

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25.7 LET US SUM UP

Marketing is dynamic, challenging and rewarding. It is at times frustrating and disappointing but it is never dull. However it does require a continuous and concentrated effort on the part of marketeers to monitor the situation regularly and adapt his or her marketing strategies. A marketing strategy applicable in today's scenario would become out of date tomorrow, unless modified as per the opportunities and threats in the environment. It should be understood that "there is nothing constant, except CHANGE". A marketeer who has the feel of the market pulse would be the one to diagnose the situation accurately and come up with remedial measures to keep the product going strongly in the market. There is no short cut to success, it is continuous hard work that would be required to meet the challenges posed in the field of accommodation marketing.

25.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check your Progress-1

- 1) See Sub-sec. 25.2.2.
- 2) See Sub-secs. 25.3.2 and 25.3.5.

Check Your Progress-2

- 1) See Sec. 25.4.
- 2) In marketing study of external and internal environment is essential. Micro environment refers to internal environment of a hotel. Read Sub-sec. 25.5.1.
- 3) See Sec. 25.6