

MARKETING FOR TOURISM AND HOSPITALITY: COLLABORATION, TECHNOLOGY AND EXPERIENCES

CHAPTER 1

Review Questions

- 1. What are the four marketing management concepts and to what extent are some/all of them still relevant in the experience economy?**

Although the “product”, “selling”, “marketing” and “societal” concept are frequently presented on a simplistic timeline, reality is somewhat different with all industries and sectors varying to the extent to which one or more are relevant. For example, although tourism and hospitality are firmly embedded with the experience economy, the “selling” concept is widely used in many sectors still such as the timeshare/vacation rental sector. Where you have a greater supply than the number of buyers then you remain in a “buyers” market where a strong sales orientation is necessary to generate business. With the new generations, however, the “societal” concept is gaining ground with younger consumer keen to purchase goods and experiences which are consistent with their own societal values.

- 2. What changes, if any, do you anticipate in the marketing planning process for an independent high-quality boutique hotel with a strong presence on the Internet?**

Historically, independent hotels relied heavily on hotel consortium for their marketing activities with insufficient experience and resources to conduct marketing alone. However, with the ease of use, extensive reach and reduced cost of the Internet, an individual hotel can now compete with larger chains and consortia. However, as with traditional forms of marketing, larger budgets and more experienced marketers bring considerable benefits of knowledge and experience which can enhance the overall impact of marketing campaigns.

- 3. Relate the special characteristics of services generally and tourism and hospitality marketing more specifically to a tourism or hospitality product of your choice.**

The trend towards accessible and personalized experiences, tailored authenticity and the co-creation of experiences are all ways in which consumer trends are changing, with their migration away from the mass production and consumption of tourism and hospitality products a reflection on the changing dynamics of the industry, the special nature of service characteristics, and the generational shifts taking place. The intangibility and heterogeneous nature of services opens opportunities for those companies that excel in service and experience delivery.

- 4. Why did the experience economy come about and what do you think the next “economy” is likely to be and with what implications for tourism and hospitality?**

Economies in developed countries have moved over the years from agrarian to industrialized to service to experience economies over the past 100 to 150 years. These transitions have occurred over time, have been subject to external events in the wider environment and shifts in society, and reflect the stage of competition/maturity of an economy. Experience economies tend to be more advanced economies where the service experience is no longer sufficient as a means of competitive advantage alone.

Major Case Questions

1. Why is SEO so important in the tourism industry?

SEO is perhaps the single-most important aspect of modern marketing in that it represents those strategies and techniques to ensure visibility of your site/message on the Internet. In essence, you are seeking to optimize your presence, visibility and reach on the Internet over and above that of your competitors. Key words and phrases are just one mechanism that help position your websites among the plethora of competition globally.

2. Why is showing up on the first two pages of Google critical for tourism businesses?

Consumers are generally impatient and lazy so if your site, product or experience does not feature on the first page of their Google search it is most unlikely that consumers will search more deeply for their desired outcome. This is not unique to tourism and hospitality; it is a trend that is generally the norm across all industries. It is especially the case for lower- or mid-priced goods. For more expensive and luxury items then consumer searchers tend to be more robust with a greater return on their investment of time anticipated.

3. Search TUI and determine how successful the SEO and rebranding campaigns have been since the initial launch.

TU is a major corporation that has invested vast sums of money into their web operations. As such, how successful do you consider their web site to be, why and what features in particular really do impress you?

CHAPTER 2

Review Questions

1. How will a greater understanding of the external and internal environments impact on the day-to-day running of a small-, medium- and large scale hotel?

Although students do not always appreciate it, a greater and deeper understanding of the political, legal, economic and social landscapes is critical in understanding the forces that impact directly, and indirectly, tourism and hospitality businesses. Although we all think we are immune from such forces, changes in governments, government policy and government interventions can have a major impact on demand

of a positive or negative nature. The UK, Turkey, Tunisia and the USA have all experienced dynamic political change in recent years with changes in currency just one example of how such actions impact visitor demand. For example, with Brexit and the collapse of the British Pound, more Americans than ever are flocking to London and other parts of the UK due to them benefitting considerably from a weak UK currency.

2. Climate change and demographic change are two of the biggest forces for change in the external environment. How may they both impact on future patterns of domestic and international leisure travel in the next decade?

Climate change and the heating of the planet have very real consequences for changing patterns of demand with traditional tourism hotspots like the Mediterranean increasingly becoming too hot for visitors in the peak periods. Many traditional destinations are highly seasonal with school vacation patterns determining when much of their market can visit. If it is too hot in this period, then a huge market will be at risk with alternative options in cooler locations likely to prosper. Parts of Spain, Turkey, France and Greece have seen such changes in demand in recent years albeit not to the major detriment of tourism to each country. If the heat continues, however, then problems will quickly surmount. Demographically it is similar with the changing age patterns for many source markets impacting negatively the popularity of certain traditional destinations. Just because a destination was popular with grandparents and parents it doesn't mean that their offspring will continue with the same consumption trends. The current trend among Millennials to frequent restaurants and night clubs less but fairs and festivals more is just one trend evident in a number of markets.

3. The Internet has changed dramatically since its launch in tourism and hospitality in the mid-1990s. How do you think it is likely to shape the way tourism and hospitality organizations operate in the next five-to-ten years and what may be the consequences, positive or negative, for the consumer?

The ease with which the market can search, book and pay for experiences on the Internet is already prevalent. Less so, is how consumers will use the Internet as part of their visit experience. Augmented and virtual reality are already active in tourism and hospitality with mobile apps central to the visit experience for many markets. Ask your students to take a recent experience and imagine how that same experience is likely to change over the next few years? Although it is hard to predict exactly what will happen, it is a useful exercise to critically evaluate current and future experiences.

4. Crises and disasters have a mix of impacts, both short and long term for all kinds of tourist destinations around the world. For one of your favorite destinations, either domestic or international, how do you think its performance has been impacted over the past twenty years by crises and disasters?

Crises and disasters are now commonplace, sadly, with destinations varying in the degree to which they are impacted. For example, while crises have had major negative impacts on places like Tunisia and Egypt, London in the UK seems to be going from strength to strength. The terrorist attacks in London have clearly been viewed as "random" events while similar events in Tunisia and Egypt have, quite unfairly, been treated differently. Much of this has to do with how destinations have reacted

themselves, but it is also a factor of how big the markets are, what is the policy of the originating supplier destination government, and price. Hence, although London has experienced many terrorist-related crises, the weakness of the British Pound has kept prices low which for many markets, is even more important. Ask students to identify four contrasting destinations and ask them to compare and contrast how a terrorist event may, or may not, impact visitor demand. Then, select a natural disaster and ask the same questions as it will be interesting to see how destinations vary in impact from man-made to natural crises and disasters.

Major Case Study Questions

1. Why is Brazil such an important inbound and outbound destination in South America?

Not only is Brazil huge in scale, with a large market and large travel infrastructure, it also has many iconic landmarks that are significant in raising the overall profile of the continent. Its hosting of the Olympic Games and the FIFA World Cup, although not without problems, raised its profile globally with benefits likely to accrue longer term.

2. What are the consequences for inbound and outbound tourism of a weak Brazilian currency as compared to the US\$?

A weak currency means that it is normally cheaper for inbound visitors and more expensive for outbound visitors. Hence, this is likely to result in less Brazilians visiting the USA and other countries due to the higher costs incurred through weaker currencies. The strong US \$ is a problem for many markets in South America when it comes to outbound visitors. However, for American, Canadian and most European markets this is a perfect time for visiting South America.

3. What emerging inbound markets are likely to prove most popular for tourism to Brazil?

Americans, Canadians and many European markets are opening up to Brazil although crime or the fear-of-crime represents a nagging doubt for many people.

4. What is the impact of the recent mega-events held in Brazil in the context of inbound and outbound international tourism?

Mega events work especially well when integrated into wider plans for cities, regions and countries. London 2012 was a classic case in point when it was part of a much wider initiative to develop the east part of the city vis-à-vis infrastructure in the form of transportation, housing and Internet connectivity. Stand-alone events such as those held in Brazil have less of an impact apart from general awareness-raising. Mega events have to be viewed as part of the wider picture and cannot be considered in isolation. Ask your students to compare and contrast mega events recently held in France, UK, South Africa etc. and ask them to evaluate who has been most successful and why?

CHAPTER 3

Review Questions

- 1. How have collaborative strategies been adopted in different sectors of the hospitality and tourism industry?**

Collaboration is widespread across tourism and hospitality. While hotels have endorsed the use of consortium, airlines have traditionally adopted alliance membership as their means to become global players. Their motivations vary hugely depending on size, ownership, strategic goals, resources and existing connections. Ask students to take one hotel consortium and one airline alliance and compare and contrast how member hotels and airlines may vary in their motivations and desired outcomes. You can also ask them what happens when companies wish to depart from their collaborative agreements and what may be some of the challenges, short and longer term of doing so?

- 2. To date, what have been some of the benefits (and drawbacks) of the adoption of innovative technologies in the hotel sector?**

Although hotels may benefit from cost reductions (through the employment of less labour), a more consistent service and perceptions of modernity, a fine balance needs to be determined with the drawbacks such as perceived lack of service, robotic experience delivery and technical failure (which is more common than people think). It is important that technological innovations are part of a coordinated strategy to enhance the overall experience rather than just a singular strategy to enhance one single feature or satisfy one single market.

- 3. How have international airlines gone about trying to enhance the traveler “experience”?**

Larger more-space seating, enhanced entertainment, greater food choices and in-flight shopping are just some of the service/experience extras now offered by many airlines. In addition, loyalty flexibility, ease of transfer at major hubs, airport lounges, travel to and from the airport, integrated tourism packages and financial services are also being offered to lure high-value fliers. With such a common product, enhanced experiences are critical in gaining a competitive edge. Ask students to think of their most recent flight and to analyze what they would do to enhance the overall level of flight experience. This is equally valid whether a low-cost flight, medium-priced economy class flight or a business or first-class experience.

- 4. What is “co-creation” and what factors/features need to be implemented at the destination level to ensure a successful co-created destination experience is achieved?**

Co-creation is all about the supplier and buyer (consumer) together contributing to the overall experience. In the context of a destination, the destination is responsible for providing a suitable infrastructure, facilities, entertainment etc. that consumers can use to co-create experiences. Clearly, different markets will respond in different ways with

the co-created experiences unique to each individual. Ask your students to think of good and bad examples of co-creation that they have been party to and what they would have done differently to enhance the possibility of successful co-creation?

Major Case Study Questions

1. What benefits have Hilton accrued over the past two decades by being a pioneer in the adoption of innovative technologies?

Hilton has invested much time, effort and resource into its technological enhancements with considerable benefits for its customer information system, greater efficiency of customer service, recording and use of guest profiles, and the sharing of guest information across all its platforms including its loyalty program. Hilton clearly believes its adoption of technology gives it an enhanced level of competitiveness in the marketplace.

2. What is the relationship between the adoption of innovative technologies and repeat business? How does (can) it work and what benefits (and possible drawbacks) does it bring?

Loyalty is key to Hilton, as is it to many other major hotel brands, with its use of technology deemed to be a primary means by which loyalty is achieved. However, competing companies are seeking similar technological solutions so ask your students by what means Hilton can maintain its competitive technological edge in the longer term? Is technology alone sufficient to compete on are other forces at play? Are customers really loyal to technology or are prices more important? Compare and contrast with other key brands as it will be interesting to see what solutions work in different company and market segment settings.

3. What is the DigitalKey and how may it transform Hilton business in the future?

DigitalKey is Hilton's highly sophisticated loyalty app which serves as a digital check in and digital room selection. It can be downloaded onto regular smartphones where it then becomes your room key and the primary means by which you can better control and customize your stay giving customers enhanced convenience and security. It is thus a major means of enhancing loyalty!

4. What may be some of the benefits of collaborative technological developments with the likes of Uber?

Hilton may claim to have the best technology but ultimately, it cannot control the entire destination trip experience. Yes, it can control the experience within its hotels but for destination-wide experiences it needs to ensure it connects to other service providers such as transportation companies, restaurants, entertainment venues, civic authorities etc. to enable the customer to fully benefit from a holistic visit experience. Ask students to think of examples where they have truly experienced a holistic "destination-experience" as compared to a singular hotel experience?

CHAPTER 4

Review Questions

- 1. In the specific context of an LTA, what are some of the reasons social capital might be higher for local stakeholders as opposed to stakeholders in a regional structure?**

Local context, knowledge from long ago, intricate knowledge of small details are all important when operating in a localized tourism association. Although these things are all clearly of benefit no matter what size the destination organization, at the very local level they can be priceless in that it is people, knowledge and ideas shared over a long period of time that often override the benefits of larger systems.

- 2. What are some of the e-intermediaries that pose a threat to LTA's?**

All intermediaries, including the likes of Expedia, Booking.com, Hotelbeds.com and TripAdvisor pose a threat to LTA's as they offer the consumer a huge choice at a click of a mouse and at a low cost. It is increasingly hard for LTAs to compete with such electronic giants but Local service, local delivery of experiences and local knowledge as to what works and what doesn't work is crucial in the successful management of a destination.

- 3. What are some of the financial benefits an independent hotel may gain by joining a consortium?**

Independent hotels can benefit from savings in marketing, integrated booking and reservation systems, themed promotions, loyalty schemes and sometimes shared entertainment if geographically close. Ultimately they will be seeking repeat bookings so any means by which loyalty can be achieved at a lower price will be good for the independent hotel operator.

- 4. What are some of the operational benefits you can imagine a small hotel gaining by joining a consortium?**

Cleaning, maintenance, technological connectivity, upgrades, marketing, bookings, reservations, themed promotions, collective loyalty etc. can all benefit from consortium membership. One cautionary note however is that once you join a consortium then clearly there is an element of compromise as along with your fellow members you will need to work toward the collective rather than the individual good for the consortium to work.

- 5. What are some of the benefits and drawbacks of membership of one of the three major global airline alliances?**

Seamless travel, global connectivity, ease of booking, easy transfer of loyalty points and greater provision of airport lounges are just some of the benefits for consumers.

Loyalty is critical so the benefits of being connected to so many international airlines can be hugely beneficial. Ask your students to think of what future benefits can be offered to passengers participating in alliance flights?

The primary arguments against airline alliance membership is the lack of competition on certain routes which, in turn, impacts negatively on prices in that prices can become uncompetitive ... no matter how attractive the passenger experience! Ask your students what individual and combined negatives they can think of from their own experiences? For example, when you book with one airline (i.e. British Airways), how do you feel when you end up flying with American?

Major Case Study Questions

1. Why is it that so many international airlines choose to join global airline alliances rather than operate individually?

Global connectivity, a seamless global network, association with major global brands, connectivity with a global hub network, sharing of quality airport lounges and collective branding are just some of the many benefits of airline alliance membership. Behind the scenes they benefit from integrated system connectivity which brings considerable cost benefits.

2. What are the primary service and experiential benefits offered to passengers by the Star Alliance?

Seamless travel, global connectivity, ease of booking, easy transfer of loyalty points and greater provision of airport lounges are just some of the benefits for consumers. Loyalty is critical so the benefits of being connected to so many international airlines can be hugely beneficial. Ask your students to think of what future benefits can be offered to passengers participating in alliance flights?

3. What may be some of the negatives of global airline alliance membership?

The primary arguments against airline alliance membership is the lack of competition on certain routes which, in turn, impacts negatively on prices in that prices can become uncompetitive ... no matter how attractive the passenger experience! Ask your students what individual and combined negatives they can think of from their own experiences? For example, when you book with one airline (i.e. British Airways), how do you feel when you end up flying with American?

4. What future opportunities do you think exist for enhancing the traveler experience by Star Alliance?

All added experiences need to contribute to improvement of the entire “trip” experience so need to go beyond simply the flight experience. Ask your students how the overall “trip” experience can be enhanced and the possible additional collaborations/partnerships needed to ensure their smooth delivery?

CHAPTER 5

Review Questions

1. How integral is the role of technology in all parts of the tourism and hospitality industry?

Technology has been affecting every aspect of the tourism and hospitality industry. From a marketing perspective, all marketing plans and marketing systems from the marketing mix elements to mass and target marketing are highly interwoven with technology. To a certain extent, marketing operations in the contemporary business world are not possible to conduct without utilization of technology as technology is involved from the beginning to the end of marketing operations. In the beginning, technology helps organizations not only to reduce the cost of production, but also to speed up the new product development process. At the end, the whole experience of the customer is carefully monitored using various social media and big data analytics. Error-free processes in any stages from design to after sales support are also made possible thanks to technology. In addition, technology has a core role in the service delivery chains as it integrates multiple layers and processes of service delivery. Technology can not only remove most of the traditional barriers in service production and consumption but also help hospitality and tourism companies to improve efficiency and accuracy in all aspects of data collection, processing, stage, analysis, and distribution.

2. Are there any parts where technology is less important?

It could be argued that technology can be an effective tool in improving business efficiency, enhancing customer experience, however, in a service industry, attention is needed to keep a good balance between technology and human interaction in the process of service delivery. A business can only be successful in promoting and practicing a HIGH TECH and HIGH TOUCH strategy in that most of the routine and repeated activities and process can be replaced by technology automation so that employees' time and efforts can be directed to the more personalized and customized service to enhance customer experience.

3. Briefly outline some of the new and emerging applications of technology in one particular sector within the wider tourism and hospitality industry?

Multiple technology applications and systems have been utilized in the hospitality industry in general and the hotel industry in particular to support business operations. The most popular ones include property management system (PMS) and point of sales (POS) system. PMS are computerized systems that facilitate the management of hotel operations and are used for reservation, occupancy management, check in/out, guest portfolios, report generation, maintenance, inventory control, safety and security every control, customer relationship management, and personnel management. A point of sales system is a combination of software and hardware that allows sellers to take transactions and simplify day-to-day business operations which can provide valuable information regarding the operations of the business for decision making purposes, in addition to managing the business transaction processes.

4. For a specific sector of your choice, what reasons may underpin the adoption (or not as the case may be) of technology? For the same sector, what specific markets are likely to be more proactive in their adoption of new technologies and why?

Different models have been utilized to identify factors affecting technology adoption and diffusion. According to the Bass model, there are three factors influencing the adoption and diffusion process. The first factor can be called the external influencer which can be a force external to the organization such as pressures from the environment, promotion related to the technology, other companies' usage, and especially leading companies' usage. The second factor can be termed as internal influencer which can be any internal force within the organization or a reflection of the natural characteristics of the technology, for example, the level of innovativeness of the organization, and technology sensitive business operations such as theme parks and amusement parks. The third factor is organization size which affects the rate and speed of technology adoption and diffusion. Different organizational sizes require different logistics and infrastructure preparation to adopt a technological innovation. While large organizations have more resources for more expensive technologies, small organizations have more nimbleness in technology adoption decision making processes. According to the technology acceptance model (TAM), factors affecting technology adoption and diffusion include effort expectancy, performance expectancy, social influence, facilitating conditions, attitudes, and behavioral intentions.

5. How has social media broadly, and user-generated content in particular changed the face of tourism and hospitality marketing in recent years? How do you see things changing in the future and with what impacts for tourism and hospitality marketing?

Social media are virtual spaces where individuals interact with each other and engage in a dynamic, mutual, and reciprocal relationships. The interactive nature of social media offers a two-way or multi-way interaction between participants rather than a broadcast approach whereby information flows only from the company to the customer. Social media platforms are community focused, facilitating the interaction of groups of people with similar interests, and they are connected, amalgamating links and content from many different sources to add synergistic value to the resulting service, product, or message. As a result, consumers now can look at the collective wisdom of their peers as information sources for decision making. This paradigm shift in consumer behavior is considered as the main force shaping future markets as this e-WoM (electronic word of mouth) offered by other consumers is perceived to be more reliable, trustworthy, and unbiased than the traditional WoM, as user generated content (UGC) is created by consumers to be used by other consumers.

Hospitality and tourism forms' sales are heavily dependent on their perceived quality in the eyes of consumers and UGC is playing a critical role in determining the quality of these businesses. In the decision making process, consumers are facing numerous consumption options that can be overwhelming, and the trustworthy information available via UGC as a trustworthy distribution system can help customers overcome the hurdle of consumption choices. In the future, the big data made available by numerous technology platforms including social media will affect the operation and consumption of hedonic products and services in a major way. Big data analysis supported by artificial intelligence and cloud computing will provide businesses with the ability to collect, process, analyze, and transform large data sets to precisely predict customer behavior and decision making.