



## Marketing Strategies for Standalone Hotels: With Reference to Mayur Aaditya Resort, Dharwad, India

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### Abstract

*The hospitality sector is one of the fastest growing sector in India, hence it is marked by intense competition. Under this backdrop the stand alone hotels has to sustain and grow amidst of big hotel chains both nationally and internationally. Implementing traditional marketing strategies which focus on acquisition does not serve the purpose of withstanding this competition. Hence more emphasis is on retaining the customer rather than finding the new ones is the need of the hour. In order to achieve this the hotels must develop innovative and competitive marketing strategies which seek new ways to acquire, retain and increase customers thereby sustaining and developing in this competitive era. This article focuses on a single unit of the hospitality industry that is Mayur Aaditya Resort, a hotel located in Dharwad city of North Karnataka. The objective is to identify the various marketing strategies used by the hotel and determine if the present marketing strategy of the hotel can be improved upon. Hence the main purpose of this study is to formulate different marketing strategies for this standalone hotel by providing different plans that help in enhancing the hotels visibility. As a result of this study outlining of the strategic marketing plan and action plans for the hotel was possible.*

**Keywords:** Hospitality marketing, hotel industry, hotel services marketing, services marketing, strategic marketing.

### Introduction

Presence of renting space for the travelers can be traced back to antiquity. Today hospitality industry is a multibillion dollar industry which is a fastest growing industry not only in India but throught the world. This service sector is the biggest industry of the Indian economy because it includes multiple service components like food service, tourism and hotels<sup>1</sup>. When we consider the hotel segment we find the restaurants, lodging, transportation, cruise line, theme parks, events and many more. The hotels provide various services varying from super deluxe category to budget category to its different categories of clients. However it is not the hotels alone who earn the share but also the tour operators, travel agencies, transportation etc. are directly or indirectly benefitted from the hotels. Providing rooms and banquet halls, restaurants, telephone call services, laundry services, travel services and internet services are the areas from where the revenue is generated for the hotels<sup>2</sup>. The hotel industry is marked by intense competition. The prices of the hotels depends upon the service and amenities provided. The hotels are classified as budget hotels, economy hotels, residential hotels, resort hotels, suite or all suite hotels, commercial hotels, conference centres, airport hotels, business hotels, casino hotels, luxury hotels, heritage hotels etc. The consumer segment in the hotel market is divided as business traveler, leisure traveler, and airline cabin crew.

In India the hotels are classified on the basis of general features and facilities offered, hence they are classified as five

star deluxe, five star, four star, three star, two star, one star and heritage hotels. These are the classification given by Ministry of Tourism, Government of India. Every five years these ratings are put under review. The 5 star hotels are included in the premium and luxury segment, 3 and 4 star hotels are included in the mid market segment, 1 and 2 star hotels are included in the Budget hotels. Heritage hotels are the hotels which are built prior to 1950, they are the palaces and forts which are now converted into hotels.

Owing to the potential market in India many international hotel giants are coming to India to capture the market. These hotel chains are entering the Indian market by establishing joint ventures with the Indian hotels, or by getting into management contracts or acquiring franchisees<sup>3</sup>. These hotel giants are mainly focusing on the budget segments and tire II cities.

Due to India's wide diversity in culture, nature, and geography it has attracted many tourists from within as well as outside India. Due to its potential to attract large number of tourists the hotel industry is now adopting to new technologies like customer relationship management tools and latest security systems and to enter into new segments like Medical tourism, Cruise, Casinos etc. However in India, Karnataka is the most talked state as far as its growth is concerned, be its economy or the hospitality sector. Karnataka is crowned by some of the best hotels in south India. This has made the tourists to visit here again and again. Due to the expanding economy the state is bringing more and more number of business travelers<sup>4</sup>.

Another special thing about the state is that it provides a wide range of hotels from ultra luxurious hotels to the budget hotels which suits every customer irrespective of his class or location.

As mentioned before due to the growing demand of the sector many national and international giants are targeting India for their business under such hectic competition the standalone hotels have to survive and develop amid wild competition. Without having a good marketing strategies in hand one cannot expect to be in the race. Thus in order to survive, sustain and develop in the market the hotels must apply the right methods, differentiate from others and gain competitive advantage.

**What is Marketing:** Marketing may be defined as “Selling the right product, in the right place, at the right time, and at the right price”. It can also be defined as “meeting needs profitably”. In simple words we can say that marketing is the exchange of goods and services at a predetermined price which is valued in terms of money. From past few years the notion of product orientation has changed to customer orientation that is the focus of today’s business is not on selling of the product but ensuring customer satisfaction. Therefore in today’s marketing scenario one has to build good rapport with the customers, identify their needs and offer such goods and services which meet their requirements<sup>5</sup>. Hence the market today is not about finding right customer for your product or services but providing the right product and services for the customer. However market is always dynamic and is influenced by a number of factors like globalization, privatization, competition, change in technology, customer empowerment, deregulation, industry convergence etc.

**Marketing Mix:** Marketing mix is a tool used by the marketers in order to meet their marketing objectives. Marketing mix is used to meet the requirements of the target market. Marketing mix is the combination of 4 P’s of marketing that is the Product, Price, Promotion and Place<sup>6</sup>. Hence a systematic and balanced combination of these 4 P’s can influence the demand for their product or services.

**Market Segmentation:** Markets are always segmented on the basis of age, life cycle, income, social class, psychographic, behavioural, geographical, demography, gender etc. Hence in order to market a product or service there is no single one that fits all the segments. These segments helps in identifying different needs, attitudes and lifestyles of the customers. Market segmentation helps in catering specific needs of the group more efficiently<sup>7</sup>.

**Relationship Marketing:** Relationship marketing focus on building networks, maintaining relations and constant interactions with the customers. This is one of the most important marketing strategy in the today’s marketing scenario. Relationship marketing helps in reducing customer turnover and build a loyal customer base. Hence in today’s marketing scenario much emphasis is laid on retaining the customers rather

than finding the new ones. The concept of relationship marketing is built by collecting the detailed information about the customers and communicate effectively with them and answer to customer demands and needs. By this the customers are well aware of the latest offerings and the customers may get satisfy with those offerings, this helps in gaining competitive advantage<sup>8</sup>. Loyal customers should also be rewarded to maintain good customer relationship.

**Marketing Plan:** Marketing plan is derived from the marketing strategy and the plan is an annual process which is devised for a year ahead, while some organizations stretches the plan for three or more years ahead. The plan consists of the strategy to be used, timeline and the cost involved. Positioning is also one of the most important aspect of the marketing plan wherein it is important for the company to understand how they are different from others<sup>9</sup>. The last step in the marketing plan is the control system which is seen through the implementation of the plan. This helps to see that the plan being implemented is going in the right direction and in case of any diversification one can bring the same on track. Hence it helps the company in measuring the marketing efforts which makes possible to know which strategy works and which do not so that the company can easily plan for the future. The marketing plan includes what marketing mix to be used, which segment the market should target, for how long it should be implemented, and what will be the resources that are needed to carry out the marketing plan. The marketing plan is always according to the strategic plan.

**Marketing Channel:** A marketing channel is a set of activities where in the goods are transferred from the point of production to the point of consumption. All the institutions and the marketing activities involved in this transfer are the marketing channels<sup>9</sup>. The marketing channels may include telemarketing, online advertising, e-mail marketing, social media etc.

**Service Marketing:** Service marketing involves the services rendered directly or indirectly to the end user. The services sector involves the health sector, financial sector, hospitality sector, telecom sector, travel and transportation etc. Services are rendered in exchange of money for the time and effort employed by the service provider. The service sector is showing lot of new changes with lot many new services on the offer which we had never thought of couple of years ago. Many services like the email, online banking, web hosting etc. are so much integrated in our lifestyle that we feel handicapped without them, these were the things which we never thought of before. The service providers vary from a huge corporations like the banking, telecom, transport, hotels etc. to a small locally owned businesses like beauty parlors, laundries, restaurants etc. The services may be business to business services or business to consumer services.

**Marketing Strategies:** Marketing strategies are the steps to be taken in order to achieve the marketing objectives. It guides and directs the firm to achieve its goal. Marketing strategies sets its

target market and the marketing mix that it has to use. This marketing strategy is broken down into marketing plan which will be implemented according to the time line set with a specified budget. Every company tries to develop innovative marketing strategies in order to gain competitive advantage. Marketing strategies are developed not blindly, it is backed by a market research which helps in identifying new and unique opportunities. Hence marketing strategies are developed keeping in mind the customers needs, the firm's objectives and resources, and the competitor's strategies<sup>10</sup>. However one cannot devise a single universal strategy or the one which is applicable at all times and situations. Marketing strategies are determined by various factors like product diversity, quality, market segment, marketing channel, geographic area covered, branding etc. It also depends upon development of new product, firm's position in the market, innovation, pricing policy, relationship with its customers, partners, suppliers and competitors. Apart from this the strategies should also consider the marketing complexity, stakeholders and customers expectations, and dynamic external and internal environment. Thus the marketing strategies to be successful need to choose the right segments, develop differential products, devise alternative distribution channels, and use innovative manufacturing processes that produce high quality products at lower prices. Thus we can say that strategies helps us to understand our position today, where we want to reach, how we are going to reach there, and how we get to know we have reached our objectives.

**Organization Profile: Mayur Aaditya Resort:** Mayur club as it was named earlier was started in the year 2004. Those days the club confined only to the food and beverage services. On 18<sup>th</sup> November 2009, Mayur Aaditya Resort stepped into the hospitality industry since the resort is located inbetween Hubli-Dharwad, Karnataka. It has a added advantage to attract and serve majority of the travelers whether they are business travelers or pleasure travelers. Modern interiors with impeccable service and exotic multi-cuisine food makes the resort different than rest of them in the city. Mayur Aaditya Resort is ranked as three star hotel.

**Objectives of the Study:** i. To find out the existing marketing strategies used by the resort. ii. To modify and/or develop marketing strategies for the resort.

## Methodology

Mayur Aaditya Resort is the hotel I selected for my study. The reason for selecting this particular hotel is that it is located on the main NH4 highway and it is the certified 3 star hotel in Hubli-Dharwad region. I wanted to know if the hotel is strong enough to sustain in the present competitive world with the competitive marketing strategies. As a researcher I would like to decipher the possibilities for improvement and provide suggestions as to how the present marketing strategies may be altered or modified to meet the present situation. Since

managers are the most appropriate candidates to get information the study targeted the managers of various departments to understand the operations of the hotel including its financial performance and customer satisfaction.

I wanted to know whether the hotel is implementing the traditional marketing strategies or have updated their strategies. I also wanted to know if they focus their strategies on acquiring new customers or on retaining the existing ones. In order to gain more information on the hotel marketing strategies I conducted interviews with the Chief Operating Officer of the hotel and managers of different departments. Thus qualitative method was adopted. I also interviewed a few key staffs of the hotel which helped me deeper understanding of the hotel operations.

Two different types of data was collected, one is primary data which was obtained by interviewing the staff of the hotel which is also considered to be the first hand data. The second is the secondary data which was retrieved from various internet websites, books and journals from the libraries. The first form of data provided me with the practical data which was further used to relate to the theories which was collected by the way of secondary data.

## Results and Discussion

Since the Resort is a standalone hotel and a small one when compared to international giants it do not possess a separate department for marketing. Hence the hotel did not have any clear marketing agenda in hand to implement successfully. This made me to develop new marketing ideas for the hotel. Under this situation it made me to devise competitive marketing strategies and a marketing plan for the hotel which can be made use by the hotel in the coming days.

Service marketing is different from product marketing because the former is intangible and there is nothing to take home and use unlike the products. The only thing that is important here is the total experience of the customer in his stay in the hotel. Hence it is up to the hotel whether to make the customers stay pleasant or unpleasant.

**Marketing Strategies Recommended for Mayur Aaditya Resort:** In today's marketing scenario it is important to focus on retention strategy rather than acquiring strategy. New and feasible innovative ideas should be put forth to gain competitive advantage. However the base for innovation today is not creativity but curiosity. Today, economy is very uncertain hence under such a situation the hotel owners rethink and re-evaluate their marketing strategies since they cannot afford wasting their limited funds allocated for marketing. Thus a well planned and well implemented marketing strategies will be the key success factor for all the small and standalone hotels.

These marketing programs should be measurable over a time period, some are long term and some short term. However the

results of these programs must be measured against certain milestones to see whether the programs are moving on the right path. The short term programs can be measured immediately and see if they can be improved for the next time.

Before implementing the marketing plan it is important for setting the marketing goals and objectives as to where you are now and where you want to be. You should be clear as to what you want to achieve. One should also figure the marketing budget and revenue projection over a period of time.

**Implementation of Hotel Marketing Plan: Trends:** First you need to analyze the trends in the hotel industry that is what new things are happening in the hotel services, the changing tastes and preferences of the customers, what new can be provided in rooms, food and beverage etc. and what are the future trends.

**Market Segmentation:** The customers should be grouped into specific market segments like leisure travelers, business travelers etc. These customers belong to different groups and hence they differ in their tastes and preferences. These groups must be approached differently with different value proposition in order to increase the hotels revenue and this can be done only by understanding the customers in each segment, their likes, dislikes and biases.

**Competitive Analysis:** Analyze local hotel sales competition and try to find out where the unique opportunities exist in your market that can be exploited. By utilizing in-depth knowledge of local market conditions one can devise marketing strategies for all the different groups of customers and offer best of the best services to differentiate oneself in the market.

**Benchmarking:** This is important to know where your position is in the market and measure progress against the benchmark. Many organizations rank the hotels, one can make use of this data or one can initiate its own research program to know the benchmarks.

**Testing Your Messages:** Before moving on to the next step of deploying effective marketing campaign one has to test the message you are going to use in the campaign so that your investment in this huge campaign do not go in vain. It is also important because this is going to improve your rate of income.

**Marketing Integration:** All the staff of the hotel who face the customers should be trained and made understand about the value proposition of each segment so that they can present key selling points to each target segment. By this the staff will be able to develop their capacity for up selling and increasing the occupancy rates. Also one should employ effective sales incentive programs in its marketing.

**Tracking and Analyzing:** Internet is a wonderful mechanism which helps the hotels in tracking and analyzing the success of the marketing campaign. For example one can trace the number

of visitors who saw your mail and responded for the same. You can also make out how many have visited your website and how many responded to it. One can also take assistance of the third party who are specialized in web analytics who provide the hotel with the required information. Today's smart marketers invest more on the search engine optimization tools and electronic marketing programs which helps them bring the customers back<sup>11</sup>.

Use of advanced computer technology and the use of internet for booking and exploring hotels are the recent advances seen among the customers. Hence the use of computer and computer aided technology are the important ingredients of today's marketing strategies without which the hotel will be paralyzed.

There are many such hotel marketing tools that ensure success in business, they are as follows:

**Online Hotel Marketing:** i. Submission of hotel website to different search engines will increase the visibility of the hotel. ii. Website optimization techniques can be used for effective online hotel marketing. iii. If one can afford investing, they can go for a third party who can provide services of web analysis. iv. Establish link to your hotel through different websites. v. The staff of the hotel as well as the management team should include the hotel website link in all e-mails or forums. vi. Join and participate in niche forums related to this sector. vii. Hotels may also make use of social media as the marketing tool. viii. Posts on your hotel blog may be converted in the PDF format and submit it to Scribd or similar websites along with your web URL. ix. Find some hotel discussion groups and participate actively in them. x. Make use of Social Networks on the web, it is the best way to reach as many people you can.

**Use of Facebook in Hotel Marketing:** i. Facebook profile of the hotel should be created. ii. Hotel blog must be integrated to the Facebook profile. iii. Hotel website must contain a Facebook link. iv. A booking widget which can be customized must also be placed on the web. v. Hotel newsletters should be developed and made available on the web. vi. The web should always be updated with the hotel happenings. vii. Facebook Friend Finder application can be made used effectively to find new as well as old customers. viii. Old customers must be encouraged to write reviews on the hotel web. ix. Any offers or discounts by your hotels must be displayed on the hotel web. x. If you can afford one can purchase Facebook advertisements also.

**Use of Twitter in Hotel Marketing:** i. Create a Twitter profile for your hotel. ii. Regular Tweets should be posted. iii. Your tweets must contain hash tags. iv. Answer the questions or doubts people have on your niche. v. All page of your hotel web should be linked with your Tweets. vi. Do not forget to place a Twitter button on the hotel website. vii. Retweet buttons should be included in your hotel's blog posts. viii. Campaign Special offers and discounts. ix. Hotel photos and videos should be posted on twitter. x. Talk about hotel special events. xi. Hotel

updates must be written. xii. Get feedback from the customers. xiii. Mention innovative things about your hotel. xiv. Collect customer testimonials and save positive tweets on the web. xv. Try to find out what your followers care about.

**Use of Online Hotel Videos in Hotel Marketing:** i. Distribute your hotel videos online. ii. Include videos on your hotel website and blogs. iii. Use YouTube to show your hotel videos and respond to the comments. iv. Always include the hotel URL on the top of every video. v. Hotel videos must be available in multiple formats. vi. Use popular video sites which are helpful for marketing.

**Use of Hotel Blog in Hotel Marketing:** i. Start writing your hotel blog. ii. Always post fresh content on your hotel blog. iii. Include latest information pertaining to local travel. iv. Latest hotel events and activities must be written on the blog. v. Include latest offers, discounts and news about your hotel. vi. Professional bloggers can help you in writing about your hotel on the blog. vii. Have an interesting blog titles. viii. Your blog titles must include hotel industry keywords. xi. Your hotel blog should also contain social bookmarking option. x. Ensure that your hotel blog is included in popular niche blog directories.

**Use of Online Paid Hotel Marketing:** i. Make use of Pay Per Click advertising. ii. Consider buying some ad space. iii. Links with your competitor websites may be used. iv. Conduct online contests and reward the winners. v. Market your hotel services by getting affiliated to different programs. vi. Hotel website and blog should contain polls. vii. Submit your hotel articles in article directories in travel categories.

**Use of Newsletter in Hotel Marketing:** i. Good hospitality newsletter must be created for your hotel website. ii. Hotel newsletters must be posted on all the channels of online marketing. iii. Offer discounts and packages to newsletter subscribers. iv. Include all the information pertaining to your hotel in the newsletter. v. Include hotel newsletter archive on the web. vi. Newsletter subscribers email address must not be shared or sell with the third parties. vii. Hotel advertisements must be posted on different online classifieds. viii. Submit to niche classifieds for your hotel many of them are free to use.

**Use of Mobile in Hotel Marketing:** i. Create a mobile-friendly website, ii. 81% of the people use mobile apps and internet to search products and prices (eMarketer 2010 survey), iii. Slowly step by step one can develop a mobile internet service from getting details of the hotels to booking of the hotel rooms<sup>12</sup>.

**Others:** i. Loyal customers must be identified and rewarded in the form of giving bonuses, discounts in the room rate, provide special rooms, chocolates, free beverages, etc. This makes the customers feel special about the hotel. ii. Always update the staff about the marketing actions and the objectives so that they are well aware of their role. iii. Conducting social gathering in the form of child art competitions, celebrating festivals like

Holi, Navratri, Diwali, Christmas and New Year Bash will increase the awareness of the hotel services in the near vicinity of the hotel. iv. Catering the end to end event management programs for corporate and non corporate like organizing the management training program, product launches, marriage parties, birthday party etc. gives wide publicity to your hotel. v. Organize local food cuisine festivals. vi. Display banners at city's prominent place and entry points. vii. Sponsor mega events of the city. viii. Something unique, refreshing or innovative must be provided to the customers which can be shared with their friends. This promotes the mouth to mouth publicity. ix. During the summer offer a free cold drink, juice or an ice cream at the arrival of the guests. x. Establish good rapport with the local people including the journalists who may write about your hotel in the newspapers. xi. Use of billboards, displays at various suitable places and suitable ads in newspapers, magazines, yellow pages and TV ads will increase your guests. xii. In today's cut throat competition one can adopt cooperation as the right strategy that is the hotel service providers should work together with the peers. They may be tourist agents or offices, local gatherings, and other partners who are related to the travel and tourism industry like the airlines, rent a car companies or credit card companies and develop joint e-mail marketing campaigns. xiii. Participate in joint advertising, national and international promotional campaigns. xiv. Get feedback from the guests and engage in continuous quality improvement with rapid corrective actions. xv. Differentiation strategy is an important strategy which provides price inelasticity and customer loyalty. xvi. Cost-leadership strategy generates the competitive advantage, this could be achieved by having cost-saving hotel designs and operational cost reduction. xvii. Spend less on papers as we can now make use of electronics which will be more cheaper than the papers.

Ultimately what we will be achieving after employing such marketing strategies, they are: i. Increase in the room bookings, ii. Reduction in operational costs, iii. Improvement or increase in the rate of income, iv. Build good brand image, v. Gain popularity in the national and international arena, vi. Gain competitive advantage to sustain and grow amidst of hectic competition.

## Conclusion

This study mainly focused on understanding the marketing strategies that can be applied today keeping apart the traditional ones. The object of the study was to devise new marketing strategies for the hotel by analyzing the present trend in hotel marketing. Hence the outcome of the study ended with developing completely new marketing strategies and plan that could help the standalone hotel like Mayur Aaditya Resort to sustain and grow in this dynamic competitive world. Hope this study contribute to the little work done on this aspect for standalone hotels and such hotels can make use of this study for their practical implementation of the marketing strategies. Thus

from this study one can arrive at a conclusion that to attract, maintain and retain the hotel guests in this highly competitive world one has to have sound marketing strategies and marketing plan in hand to gain competitive advantage and sustain in the long term business.

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