



Pearson International Edition

# Marketing *for* Hospitality *and* Tourism

FOURTH EDITION

Philip Kotler ■ John T. Bowen  
James C. Makens

FOURTH EDITION

# Marketing *for* Hospitality *and* Tourism

Philip Kotler

John T. Bowen

James C. Makens



Pearson Education International

If you purchased this book within the United States or Canada, you should be aware that it has been wrongfully imported without the approval of the Publisher or Authors.

**Executive Editor:** Vernon R. Anthony  
**Associate Editor:** Marion Gottlieb  
**Executive Marketing Manager:** Ryan DeGrote  
**Director of Manufacturing and Production:** Bruce Johnson  
**Managing Editor:** Mary Carnis  
**Production Liaison:** Brian Hyland  
**Production Editor:** Jessica Balch/Pine Tree Composition, Inc.  
**Manufacturing Manager:** Ilene Sanford  
**Manufacturing Buyer:** Cathleen Petersen  
**Senior Design Coordinator:** Miguel Ortiz  
**Interior/Cover Design:** Wanda España  
**Manager of Media Production:** Amy Peltier  
**Media Production Project Manager:** Lisa Rinaldi  
**Marketing Assistant:** Les Roberts  
**Formatting:** Susan Rollock/Pine Tree Composition, Inc.  
**Copy Editor:** Laura Patchkofsky  
**Printer/Binder:** Courier Kendallville  
**Cover Illustration:** Sid Daniels, Images.com  
**Cover Printer:** Coral Graphics

*Part and Chapter Opening Photo Credits*

Part 1: Janis Christie/Getty Images, Inc.—Photodisc (left), Melanie Acevedo/Getty Images (middle), Steve Allen/Getty Images, Inc.—Brand X Pictures (right); Chapter 1: Microtel Inn; Chapter 2: Chipotle; Chapter 3: The Biltmore Estate; Part 2: Dallas & John Heaton/Corbis/Bettmann (left), Jean Miele/Corbis/Bettmann (middle), Richard Berenholtz/Corbis/Bettmann (right); Chapter 4: Domino's; Chapter 5: Marriott International; Chapter 6: Ryan McVay/Getty Images, Inc.—Photodisc; Chapter 7: Adina Tovy/Robert Harding World Imagery; Chapter 8: Carnival Cruise Lines; Part 3: Todd Pearson/Getty Images, Inc.—Photodisc (left and middle), Burke/Triolo Productions/Getty Images, Inc.—Brand X Pictures (right); Chapter 9: Old San Francisco Steak House; Chapter 10: The Jamaica Tourist Board; Chapter 11: Southwest Airlines; Chapter 12: Dennis Brack/Landov LLC; Chapter 13: Reuters Media, Inc./Corbis/Bettmann; Chapter 14: Mirage Resorts, Inc.; Chapter 15: Associated Press; Chapter 16: Ruth's Chris Steak House; Part 4: Reuters NewsMedia/Pool/Spencer Platt/Corbis/Bettmann (left), Larry Williams/Corbis/Bettmann (middle), Henny Ray Abrams/Reuters/Corbis/Bettmann (right); Chapter 17: Associated Press; Chapter 18: Galveston Island Convention & Visitors Bureau; Chapter 19: LaSamanna

Copyright © 2006, 2003, 1999, 1996 by Pearson Education, Inc., Upper Saddle River, New Jersey 07458. All rights reserved. Printed in the United States of America. This publication is protected by Copyright and permission should be obtained from the publisher prior to any prohibited reproduction, storage in a retrieval system, or transmission in any form or by any means, electronic, mechanical, photocopying, recording, or likewise. For information regarding permission(s), write to: Rights and Permissions Department.

Pearson Education Ltd.  
Pearson Education Australia Pty, Limited  
Pearson Education Singapore, Pte. Ltd.  
Pearson Education North Asia Ltd.  
Pearson Education Canada, Ltd.

Pearson Educación de Mexico, S.A. de C.V.  
Pearson Education—Japan  
Pearson Education Malaysia, Pte. Ltd.  
Pearson Education, Upper Saddle River, New Jersey



10 9 8 7 6 5 4 3 2  
ISBN 0-13-201773-3





# To the Student

Dear Student of Hospitality Marketing,

*Marketing for Hospitality and Tourism* guides you down the intriguing, discovery-laden road to learning marketing. It is our goal to help you master the basic concepts and practices of modern hospitality marketing in an enjoyable and practical way. Achieving this goal involves a constant search for the best balance among the “three pillars” that support the book—theories and concepts, practices and applications, and pedagogy (the art and science of teaching).

The hospitality and travel industry are undergoing rapid changes. The applications you learn today may not apply five years from now. Thus, it is important that you have an understanding of the marketing concepts. This will allow you to analyze future situations and make the proper decisions. Practices and applications are provided to give you examples of how we currently apply the concepts to industry situations. Finally, we have included marketing highlights, opening cases, Internet links, written cases, video cases, color illustrations, and other features to make the book something that we hope you will feel is interesting and makes learning fun.

Marketing is both an art and a science. The art adds some ambiguity to marketing, which makes it difficult for some students. We recommend reading the chapter quickly and then going back and reading it slower the second time. This will give you a good understanding of the material in the chapter. The companion website [www.prenhall.com/kotler](http://www.prenhall.com/kotler) will provide you with additional aids to help you learn the material in the chapter.

This book was written with you the student in mind. The development of each edition has involved students who tell us which illustrations to use, which examples they find interesting, and which ones we should replace when we were writing the newest edition. It is our goal to develop a book that is student friendly and clearly explains and illustrates the application of marketing concepts.

We hope you enjoy *Marketing for Hospitality and Tourism* and we wish you success.

*Philip Kotler, John Bowen, James Makens*



## AN INDISPENSABLE GUIDE TO SUCCESSFUL MARKETING IN THE HOSPITALITY INDUSTRY

This book has been written with you in mind – explaining the how and why of everyone's role in marketing. Because customer contact employees are part of our product in hospitality and tourism marketing, marketing is everyone's job. *Marketing for Hospitality and Tourism* gives you an innovative and practical introduction to marketing. Its style and extensive use of examples and illustrations make the book straightforward, easy to read.

### TEXT ORGANIZATION

**PART 1: Understanding the Hospitality and Tourism Marketing Process**—Introduces you to the concept of hospitality marketing and its importance.

**PART 2: Developing Hospitality and Tourism Marketing Opportunities and Strategies**—Helps you understand the role of consumer behavior and how it affects the marketing environment.

**PART 3: Developing the Hospitality and Tourism Mix**—Identifies and explains strategies for promoting products and the various distribution channels.

**PART 4: Managing Hospitality and Tourism Marketing**—Highlights the latest trends in electronic marketing, destination marketing, and planning for the future.

### CHAPTER 2 Service Characteristics of Hospitality and Tourism Marketing

Marketing was initially developed in connection with selling physical products, such as cars, steel and equipment. In chapter two we cover the essence of why hospitality and travel products, which are intangible, have marketing concepts that are different from goods producing firms. The principles found in Chapter 2 become the foundation for the rest of the book.



## 2

### *Service Characteristics of Hospitality and Tourism Marketing*

Managers do not control the quality of the product when the product is a service. ... The quality of the service is in a precious state—it is in the hands of the service workers who produce and deliver it.

Karl Albrecht

#### **Chipotle Mexican Grill**

**C**hipotle opened in 1993 with the goal of serving fresh, gourmet-quality food at reasonable prices. Over three hundred restaurants later and several hundred thousands of burritos, the goal remains the same.

Chipotle is the dream and creation of Steve Ells. Although the chain is now 99% owned by McDonald's Corp., it remains under the executive direction of Steve and a group of young corporate managers.

A graduate of the Culinary Institute of America, Steve learned the philosophy and skills of classical French cooking. After graduation, Steve had no intention to open a business but instead moved to San Francisco where he worked for the renowned Star Restaurant under the direction of Jeremiah Dineen.

The young manager of San Francisco opened Steve's eyes to opportunity. "I used to watch the lines of customers waiting through the lineups on Mission Street. I ate there frequently. The food was simple and reasonably priced, and I believed that with my knowledge of food I could make a superior product and capture the success of those small restaurants in a big way."

"My dad thought I was crazy when he received my call asking for money and management advice to open a burrito restaurant in Denver, Colorado. Dad agreed to help and that allowed me to open the first Chipotle restaurant in 1993 near the University of Denver. Opening night we sold four hundred dollars' worth of burritos and sales kept growing. We were wildly successful from the beginning," said Steve.



## SPECIAL FEATURES — CONNECTING TO THE REAL WORLD

### CHAPTER OPENING CASES

Each chapter opens with a mini case showing you how actual hospitality and travel companies have successfully applied marketing. These cases help you understand and remember the concepts presented in the chapter. For example, Chapter 1 illustrates how one of today's hospitality marketing gurus, Mike Leven, discovered to be successful you must find a way to meet customer needs.

### *Introduction: Marketing for Hospitality and Tourism*

*Marketing is so basic that it cannot be considered a separate function. It is the whole business seen from the point of view of its final result, that is, from the customer's point of view. . . . Business success is not determined by the producer but by the customer.*

Peter Drucker

*M*ichael Leven, one of the world's best hotel marketers, was hired from Americana Hotels to become the CEO of Days Inn.<sup>1</sup> During his tenure at Days Inn, the number of hotels and hotel rooms more than doubled. One of the keys to Leven's success was introducing a program showing Days Inn management and employees the importance of having a customer orientation. Under Leven's management, employees were rewarded, never penalized, for taking the initiative to help a customer. According to Leven, "Service falls short when employees are always trying to please their immediate boss. You end up putting layers between yourself and the customer."<sup>2</sup> Leven's concern for the customer went back thirty years when he started as a sales rep at the Hotel Roosevelt in New York City. One day, he received a call from a meeting planner wishing to book a banquet for sixty people, requiring ten tables of six. After confirming the arrangements with the meeting planner, he proudly sent the function sheet to the banquet department. To his surprise, the function sheet was returned with a big red mark saying, "No way! We can't do tables of six." The banquet department went on to say that the union required banquet tables to be set for either eight or ten people. Leven then called the client. Years later he stated that the meeting planner's reply was never forgotten: "I don't care what the union contract says—I'm the customer. I'll go somewhere where my needs can be met," said the client before banging the phone down.

Instead of giving up, this future CEO returned to the banquet department and learned that waiters had to be paid a minimum of eight gratuities per table.

### BOXED MARKETING HIGHLIGHTS

These boxed segments introduce you to real people and real industry examples, connecting the chapter material to real life.

#### *Marketing Highlight 10-1*

##### **Thank You—A Great Personal Communication**

Two of the most powerful words in any language are thank you. That's why Jennifer Smith, sales manager for the West Airport Comfort Inn & Sleep Inn of Indianapolis, Indiana, decided to initiate a special thank you program for guests.

Jennifer's objectives were to increase corporate business and let guests know that the inn appreciated their patronage and wanted them to return. She felt that a handwritten note would be appreciated in this high-tech world of e-mail, Internet, and voice-mail communications.

Names and addresses were obtained from business cards left by guests in a fish bowl qualifying them for a monthly drawing. After the drawing is held, any one of the three desk clerks write thank you notes during slow times on the desk. Each desk clerk is provided personalized business cards, which are included with the handwritten note.

The Thank You Program was started in May 2000. Since then, Jennifer has spoken with many guests who were amazed that the inns took time to write a personal note to them. One client mentioned that he really liked having the business card sent from a front desk associate rather than a general manager or salesperson. Because the desk associates are usually the ones to make reservations, guests like having the name of someone to ask for when they call back for future reservations.

Jennifer said, "These thank you notes really help to build rapport between desk associates and guests even if the guest stayed just one time. I think the notes convey to our guests that our hotel staff cares for them as individuals and does not just see them in an impersonal way or simply another corporate traveler. I plan to continue this program indefinitely."



## MARGINAL INTERNET LINKS

Throughout the book you'll see the "e" indicating that information about the organizations mentioned immediately before the "e" link appears. The links are organized by chapter and accessible through the book's companion website, [www.prenhall.com/kotler](http://www.prenhall.com/kotler). In addition to the chapter links, the website also contains a comprehensive set of Internet links.



## FULL COLOR VISUALS

Color format with lively photographs, drawings, and tables will maintain your interest and provide visual aids to learning.



	Total customer value	(Product, services, personnel, and image values)
minus	Total customer cost	(Monetary, time, energy, and psychic costs)
equals	Customer delivered value	("Profit" to the consumer)

Figure 11-1  
Customer-delivered value.

Table 11-2

### *Relationship Marketing Compared with Traditional Marketing*

RELATIONSHIP MARKETING	TRADITIONAL MARKETING
Orientation to customer retention	Orientation to single sales
Continual customer contact	Episodic customer contact
Focus on customer value	Focus on product features
Long-term horizon	Short-term horizon
High customer service emphasis	Little emphasis on customer service
High commitment to meeting customer expectations	Limited commitment to meeting customer expectations
Quality concerns all staff members	Quality concerns only production staff

Traditional marketing can also be considered transactional marketing, in which each sale is considered to be a discrete event.



## IMPORTANT MEMORY TOOLS

### CHAPTER OBJECTIVES

At the start of each chapter, this list will help you focus and organize your thoughts as you are reading. The learning objectives summarize what you need to know after studying the chapter and doing the exercises.

#### Chapter Objectives

After reading this chapter, you should be able to:

1. Define customer value and customer satisfaction.
2. Understand the difference between customer satisfaction and customer loyalty.
3. Discuss attracting new users and retaining current customers by developing relationship marketing.
4. Know tactics for resolving customer complaints and understand the importance of resolving complaints.
5. Define quality and discuss the importance of the benefits of quality.
6. Implement capacity and demand management tactics.

### KEY TERMS

**Customer centered.** Companies that deliver superior value to their target customers.

**Customer-delivered value.** The difference between total customer value and total customer cost.

**Expected service.** The service that the customer feels he will receive from a service provider.

**Freedom from deficiencies.** A type of service quality that focuses on conformance to specifications.

**Functional quality.** The quality of the process of delivering a service.

**Product features.** Product features that enhance customer satisfaction is one type of service quality.

**Revenue management.** The methodological approach to allocating a perishable and fixed inventory to the most profitable customers.

**Societal (ethical) quality.** Delivering products that will not cause harm to a customer or society as a whole. It is a type of quality that often goes unobserved by the guest.

**Technical quality.** The quality of the core product that a guest receives in a transaction. It is the quality of the guest room in a hotel, the meal in a restaurant, and the car from a rental agency.

### KEY TERMS

Highlighted and defined, key marketing and hospitality terms provide you with a convenient source for learning and reviewing the professional vocabulary needed for effective communication on the job. These terms are found at the end of each chapter, and a glossary of all the terms can be found at the end of the book.

### CHAPTER REVIEW

At the end of each chapter, a summary of chapter content in outline format helps you to review and retain key information. The format for the chapter review was the suggestion of a student.

#### Chapter Review

- I. **The Aim of Strategic Planning.** Strategic planning helps a company select and organize its business in a manner that keeps the company healthy despite unexpected upsets in any of its specific business or product lines.
- II. **Three Ideas That Define Strategic Planning**
  - 1) Managing a company's business as an investment portfolio to determine which business entities deserve to be built, maintained, phased down, or terminated.
  - 2) Assessing accurately the future profit potential of each business by considering the market's growth rate and the company's position and fit.
  - 3) Underlying strategic planning is that of strategy and developing a game plan for achieving long-run objectives.
- III. **Four Major Organizational Levels**
  - 1) **Corporate level.** The corporate level is responsible for designing a corporate strategic plan to guide the entire enterprise. It makes decisions on how much resource support to allocate to each division, as well as which businesses to start or eliminate.



## APPLY YOUR KNOWLEDGE

---

### EXPERIENTIAL EXERCISES

At the end of each chapter are exercises designed to provide experiences that will illustrate the concepts presented in the chapter and provide experiences that you can draw on in the future.

### INTERNET EXERCISES

The Internet has become both an important marketing tool and a source of marketing information. The Internet exercises introduce you to information sources on the Internet and show you how others are using the Internet.

## APPLY YOUR CRITICAL THINKING SKILLS

---

### CASE STUDIES

The case studies at the end of the book represent real situations. Using the case studies you can analyze actual business situations and come up with your solutions to the organization's problem. Sometimes your instructor will use these cases as the basis of class discussions.

#### **CASE 25 BOULDER CREEK**

One of the most difficult marketing tasks in any industry is to reposition a declining product, attract new market segments, and achieve market success. Yet that is exactly what Andrea Lewis did with a former Econo Lodge in a non-highway location in Boulder, Colorado.

"This was the hardest thing I had ever done," said Andrea. "My husband, Burt and I, purchased the property in 1999 but Burt was busy with real estate in Chicago and left most of the responsibility to me."

Andrea knew nothing about hotels but found that her training and experience supervising twenty-six salespeople in nineteen states as Manager of Corporate Sales for Tiffany & Company was invaluable. Andrea had just been offered a promotion with Tiffany's when Burt called to say they were purchasing an ignored Econo Lodge in Boulder that had great potential. "I need you to quit your job, move to Boulder, and remake this hotel," said Burt. Andrea had recently experienced the death of two young friends and said to herself, "I love Boulder, and I love Colorado. This will be a challenge, but life is short so let's do it."

Life at Tiffany's was a dream compared to the task that confronted Andrea. The property contained a hundred-year-old home suffering from

### DISCUSSION QUESTIONS

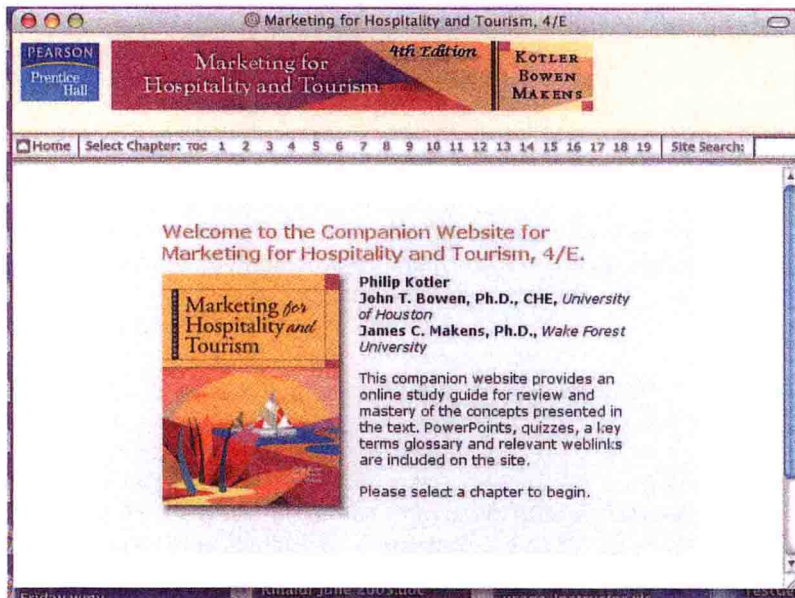
These end of chapter questions will challenge you to address real-world situations and consider appropriate methods of action.



## ADDITIONAL RESOURCES

### COMPANION WEBSITE [WWW.PRENHALL.COM/KOTLER](http://WWW.PRENHALL.COM/KOTLER)

The student website contains test questions, PowerPoint slides, and links to websites. The practice tests will give you an idea of how well you know the material in the chapter. The PowerPoint slides serve as a summary of the chapter. The online links provide you with the world of hospitality marketing on the Internet.



PowerPoint slides have been prepared for each chapter. They offer you another way of summarizing and reinforcing mastery of chapter content.





## Preface

We would like to thank the students and instructors who have used this text in the past. Their support has enabled us to publish our fourth edition of *Marketing for Hospitality and Tourism* in just ten years, now available in eight languages.

The book is written with the hospitality and travel student in mind. The solicited and unsolicited comments we received from students and instructors have been incorporated into the fourth edition. Students have told us *Marketing for Hospitality and Tourism* is readable and interesting; one student wrote, "I enjoyed reading this book—it didn't seem like I was reading a textbook." In this newest edition we strive to maintain the same tone. We had a team of students read each of the chapters to make sure the concepts presented made sense to them. Additionally, students were involved in the final choice of illustrations for the text to make certain the illustrations were both useful and interesting. For instructors, we made the text flow more smoothly from a teaching perspective and enlisted the help of a team of professors to develop and produce teaching aids.

The authors have extensive experience working with hospitality and travel businesses around the globe. Our understanding of the hospitality and travel business ensured that the end result is a book that clearly explains marketing concepts and shows how they apply to real-life situations.

The book has an international focus, which is especially important in this era of increasing globalization. Business markets have become internationalized—domestic companies are expanding overseas as foreign companies seek to enter U.S. markets—therefore, it is crucial that today's students be exposed to business and cultural examples from other parts of the world. Rather than have one chapter devoted to international marketing, we have incorporated examples throughout the text.

This text has truly evolved as a team project. Without the support of our students and faculty at other universities and colleges, this book would not have developed into the leading book in its category. We thank you for your support and acknowledge below those who have been involved in the development of the book.

## WE WELCOME YOUR COMMENTS

---

We would like to hear your comments on this edition and your suggestions for future editions. Please address comments to: John Bowen, Conrad N. Hilton College of Hotel Management, University of Houston, [jbowen@uh.edu](mailto:jbowen@uh.edu).

## ACKNOWLEDGMENTS

---

This book is the result of the efforts of many individuals. Juline Mills of Purdue University produced the PowerPoint slides and Companion Website; Dave Grulich of Brevard Community College produced the Instructor's Manual; and Rich Howey of Northern Arizona University produced the Test Bank. Jason Finehout, a graduate student at the University of Houston, helped with the research and development of the fourth edition.

We owe special thanks to a number of people who helped make the first edition possible: Michael Gallo for his research efforts; Anna Graf Williams and Allen Reich of the University of Houston who served as early reviewers; Ming (Michael) Liang for suggesting the chapter review format; and Christa Myers for her help as project manager of the first edition. Thanks also to Carrie Tyler at UNLV for her research work and for serving as project manager for the second edition. Walter Huertas, Shiang-Lih Chen McCain, Michelle North, and Tracee Nowlak made up the student team for the third edition.

Thank you to those who reviewed the first edition of the text: Jennifer A. Aldrich, Johnson & Wales University; James A. Bardi, Penn State Berks Campus; Jonathan Barsky, McLaren School of Business, University of San Francisco; David C. Bojanic, University of Massachusetts; Tim H. Dodd, Texas Tech University; Rich Howey, Northern Arizona University; C. Gus Katsigris, El Centro College; Ed Knudson, Linn-Benton Community College; Allen Z. Reich, University of Houston; Howard E. Reichbart, Northern Virginia Community College; and Anna Graf Williams, Johnson & Wales University.

The following reviewers were helpful in guiding us through the revisions in the second edition: Bonnie Canziani, San Jose State University; Andy Feinstein, Penn State University; Marvel L. Maunder, Ph.D., Southwest Missouri State University; H. G. Parsa, Ph.D., SUNY College, Buffalo; Edward B. Pomianoski, CFBE, County College of Morris; Emily C. Richardson, CHA, Widener University; Ralph Tellone, Middlesex County College; and Gregory R. Wood, Ph.D., Canisius College.

The following reviewers were helpful in guiding us through the revisions in the third edition: Kimberly M. Anderson, University of Alabama; Mark Bonn, Florida State University; Harsha E. Chacko, University of New Orleans; Tim Dodd, Texas Tech University; Geralyn Farley, Purdue University Calumet; Richarde M. Howey, Northern Arizona University; Ken McCleary, Virginia Polytechnic Institute and State University; Joan Remington, Florida International University; John Salazar, Southern Illinois University.

Jane Boyland, Johnson & Wales University; Juline Mills, Purdue University; and Muzzo Uysal, Virginia Polytechnic Institute and State University reviewed the third edition and gave suggestions for the fourth edition.

We appreciate the support and enthusiasm of the companies that provided advertisements and illustrations for the book. These organizations put forth a great deal of effort in finding and providing the materials we requested; working with them was one of the most rewarding parts of producing the book. We would also like to thank Vern Anthony, Marion Gottlieb, and Jessica Balch for their help and advice throughout the project. Finally, we would like to thank our families for their support and encouragement.

*Philip Kotler  
John Bowen  
James Makens*



## About the Authors



Philip Kotler is the S. C. Johnson & Son Distinguished Professor of International Marketing at the Kellogg Graduate School of Management, Northwestern University. Professor Kotler is one of the world's leading authorities on marketing. He received his master's degree at the University of Chicago and his Ph.D. at M.I.T., both in economics. Dr. Kotler is co-author of *Principles of Marketing* and the author of *Marketing Management: Analysis, Planning, Implementation, and Control* (Prentice Hall), now in its eleventh edition and the most widely used marketing textbook in graduate schools of business. He has authored several successful books and has written over 100 articles for leading journals. He is the only three-time winner of the coveted Alpha Kappa Psi award for the best annual article in the *Journal of Marketing*. Dr. Kotler's numerous major honors include the Paul D. Converse Award given by the American Marketing Association to honor "outstanding contributions to science in marketing" and the Stuart Henderson Britt Award as Marketer of the Year. He was named the first recipient of two major awards: the Distinguished Marketing Educator of the Year Award given by the American Marketing Association and the Philip Kotler Award for Excellence in Health Care Marketing presented by the Academy for Health Care Services Marketing. He has also received the Charles Coolidge Parlin Award, which each year honors an outstanding leader in the field of marketing. In 1995, he received the Marketing Educator of the Year Award from Sales and Marketing Executives International. Dr. Kotler has served as chairman of the College on Marketing of the Institute of Management Sciences (TIMS) and a director of the American Marketing Association. He has received honorary doctorate degrees from DePaul University, the University of Zurich, and the Athens University of Economics and Business. He has consulted with many major U.S. and foreign companies on marketing strategy.



John T. Bowen is Dean of the Conrad N. Hilton College of Hotel and Restaurant Management at the University of Houston. Professor Bowen has presented marketing courses and seminars in Asia, Australia, Central America, Europe, and South America. Dr. Bowen is a consultant to both large and small hospitality corporations. Before becoming an academic, Professor Bowen held positions in restaurant management at both the unit and corporate level. He serves as a consultant to both small and large hospitality corporations. Professor Bowen is on the editorial boards of the *Cornell Hotel and Restaurant Administration Quarterly*, *Hospitality and Tourism Research Journal*, *Journal of Services Marketing*, and *International Journal of Contemporary Hospitality Marketing*. He is co-author of *Restaurant Marketing for Owners and Managers*. Professor Bowen has received numerous awards for his teaching and research including UNLV Foundation Teaching Award, the Sam and Mary Boyd Distinguished Professor Award for Teaching, and the Board of Regents Outstanding Faculty Member. He has been a three-time recipient of International CHRIE's annual award for the superior published research in the hospitality industry. Dr. Bowen's formal education includes a B.S. in Hotel Administration from Cornell University, a M.B.A. and M.S. from Corpus Christi State University, and a Ph.D. in marketing from Texas A&M University. Dr. Bowen is a Fellow of HCIMA.



James C. Makens is actively involved with the travel industry. He has conducted executive training for the Sheraton Corporation, Regent International Hotels, The Taiwan Hotel Association, and Travelodge of Australia. He has also conducted marketing seminars for tourism ministries or travel associations in Australia, New Zealand, Canada, Indonesia, Singapore, Malaysia, and many nations of Latin America. Dr. Makens serves as a consultant and has written marketing plans for travel industry companies and tourism promotion boards. Other books he has authored or coauthored include *The Travel Industry* and *Hotel Sales and Marketing Planbook*. His professional articles have appeared in *The Cornell Hotel and Restaurant Administration Quarterly*, *The Journal of Travel Research*, *The Journal of Marketing*, *The Journal of Marketing Research*, and *The Journal of Applied Psychology*. Dr. Makens earned an M.S., M.B.A., and Ph.D. from Michigan State University. He holds a B.S. from Colorado State University. He served as Associate Dean in the School of Travel Industry Management of the University of Hawaii. He was also an Associate Dean of INCAE, an affiliate of Harvard Business School in Central America. Dr. Makens recently retired from the faculty at The Babcock Graduate School of Management at Wake Forest University.



## *Brief Contents*

<b>PART 1</b>	<b>Understanding the Hospitality and Tourism Marketing Process</b>	<b>1</b>
	1. Introduction: Marketing for Hospitality and Tourism	3
	2. Service Characteristics of Hospitality and Tourism Marketing	37
	3. The Role of Marketing in Strategic Planning	71
<b>PART 2</b>	<b>Developing Hospitality and Tourism Marketing Opportunities and Strategies</b>	<b>109</b>
	4. The Marketing Environment	111
	5. Marketing Information Systems and Marketing Research	151
	6. Consumer Markets and Consumer Buying Behavior	195
	7. Organizational Buyer Behavior of Group Market	231
	8. Market Segmentation, Targeting, and Positioning	259
<b>PART 3</b>	<b>Developing the Hospitality and Tourism Marketing Mix</b>	<b>299</b>
	9. Designing and Managing Products	301
	10. Internet Marketing	353
	11. Building Customer Loyalty through Quality	385
	12. Pricing Products: Pricing Considerations, Approaches, and Strategy	445
	13. Distribution Channels	497
	14. Promoting Products: Communication and Promotion Policy and Advertising	539
	15. Promoting Products: Public Relations and Sales Promotion	589
	16. Professional Sales	629

**PART 4 Managing Hospitality and Tourism Marketing 681**

- 17. Electronic Marketing: Internet Marketing, Database Marketing, and Direct Marketing 683**
- 18. Destination Marketing 723**
- 19. Next Year's Marketing Plan 763**



# Contents

[www.prenhall.com/kotler](http://www.prenhall.com/kotler)

To the Student xiii

Preface xxi

About the Authors xxiii

## PART 1 Understanding the Hospitality and Tourism Marketing Process 1

### 1 Introduction: Marketing for Hospitality and Tourism 3

CHAPTER OBJECTIVES 5

YOUR PASSPORT TO SUCCESS 5

CUSTOMER ORIENTATION 6

WHAT IS HOSPITALITY AND TOURISM MARKETING? 9

MARKETING IN THE HOSPITALITY INDUSTRY 10

Importance of Marketing 10

MARKETING HIGHLIGHT 1-1 11

Tourism Marketing 11

Needs, Wants, and Demands 14

Products 15

Customer Value 16

Customer Satisfaction 16

Quality 19

Exchange, Transactions, and Relationships 20

Markets 21

Marketing 21

MARKETING MANAGEMENT 23

MARKETING MANAGEMENT PHILOSOPHIES 23

Manufacturing Concept 23

MARKETING HIGHLIGHT 1-2: UNDESIRABLE CUSTOMERS 24

Product Concept 25

Selling Concept 25

Marketing Concept 26

Societal Marketing Concept 27

MARKETING'S FUTURE 28

GREAT LEADERS 29

WEB SITE 29

Key Terms 30

Chapter Review 31

Discussion Questions 33

Experiential Exercise 34

Internet Exercises 34

References 35

## 2 Service Characteristics of Hospitality and Tourism Marketing 37

CHAPTER OBJECTIVES 41

THE SERVICE CULTURE 41

CHARACTERISTICS OF SERVICE MARKETING 42

Intangibility 42

Inseparability 43

Variability 44

Perishability 45

MANAGEMENT STRATEGIES FOR SERVICE

BUSINESSES 46

Managing Differentiation 48

Managing Service Quality 48

Tangibilizing the Product 50

MARKETING HIGHLIGHT 2-1: RITZ-CARLTON: TAKING CARE

OF THOSE WHO TAKE CARE OF CUSTOMERS 32

Managing the Physical Surroundings 55

Stress Advantages of Nonownership 55

Managing Employees as Part of the Product 57

Managing Perceived Risk 59

Managing Capacity and Demand 60

Managing Consistency 61

Managing the Customer Relationship—CRM 63

Service Failure 63

OVERVIEW OF SERVICE CHARACTERISTICS:

THE SERVUCION MODEL 64

Interaction between Customer A and

Customer B 64

Contact Personnel 64

The Invisible Organization and System 64

Key Terms 66

Chapter Review 67

Discussion Questions 68

Experiential Exercises 68

Internet Exercise 69

References 69

## 3 The Role of Marketing in Strategic Planning 71

CHAPTER OBJECTIVES 74

NATURE OF HIGH-PERFORMANCE BUSINESS 76

Stakeholders 76

Processes 78

Resources 78

Organization 79