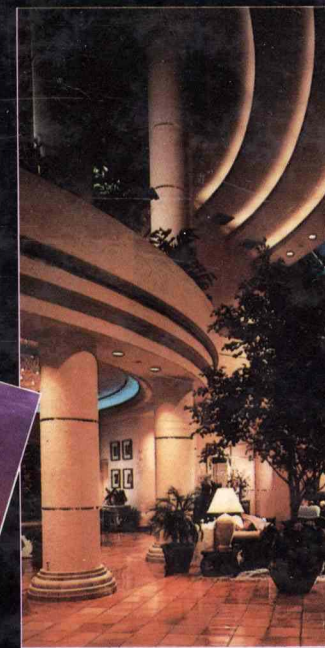
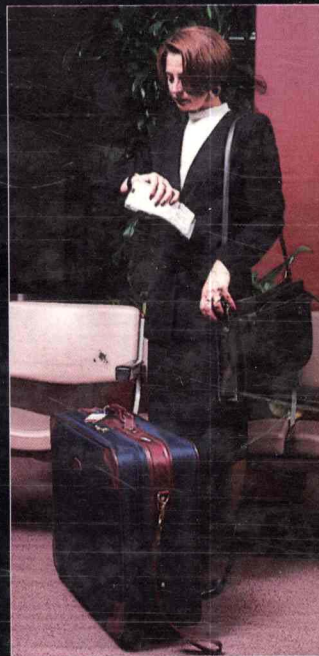


# HOSPITALITY SALES and ADVERTISING

Second Edition

James R. Abbey



# **HOSPITALITY SALES and ADVERTISING**

**Second Edition**

**James R. Abbey, Ph.D., CHA**



**A nonprofit educational foundation**

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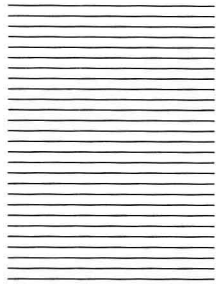
## About the Author

James R. Abbey, Ph.D., CHA, is a professor of hotel marketing and management at the University of Nevada, Las Vegas. He also has executive experience with clubs, restaurants, and hotels. As a consultant and researcher, he has worked with many prominent companies in the areas of sales management and marketing research and strategy. He is active in the Society of Company Meeting Professionals and the Hospitality Sales & Marketing Association International. The author has won awards from the Travel Research Association of America, the National Institute of Foodservice Instructors, and the Statler Foundation. He is a graduate of Michigan State University's School of Hotel, Restaurant & Institutional Management, and holds a master's degree in finance and a Ph.D. in tourism from Utah State University.

Dr. Abbey is a contributor to leading hospitality publications and is co-author of *The Art and Science of Hospitality Management* and *Convention Sales and Services*.



*James R. Abbey*



# Preface

**T**HE BASIC FUNCTION OF MARKETING, sales, advertising, and promotion is to find and retain enough guests to maintain a profitable level of business. In this age of new construction and investment, modernization, consolidation and mergers, automation, and growing competition, the name of the game in the hospitality industry is to “wear out the carpet”—that is, bring in the business.

In large hotels, there is usually a full-time marketing and sales division or department; midsize properties may have a marketing and sales department or a sales office; in small properties, marketing and sales may be among the many duties of the general manager. Regardless of the property’s size, a continuous sales effort is required to fill guestrooms, dining rooms, lounges, and meeting space. Sales must never be considered the sole responsibility of a single individual; sales is an important part of every employee’s job. Knowledge and application of the sales and advertising fundamentals presented in this text can benefit the reader professionally as well as help boost a hotel’s profits.

The second edition of *Hospitality Sales and Advertising* includes new material on a number of topics: employee empowerment, yield management, marketing teams, relationship selling, positioning, internal marketing, and travel distribution systems, to name a few. Each chapter contains insights from hospitality leaders from around the world. New photographs, forms, and advertising pieces have greatly increased the educational value of the text. Additional industry examples make the text more effective and appealing. All tables, charts, and references have been thoroughly updated.

The text’s coverage of negotiating with meeting planners, tour wholesalers, and other travel intermediaries has been increased substantially. Because of the tremendous growth of hospitality marketing computer applications, the discussion of sales office automation has been expanded. New information on soliciting such special market segments as reunion groups, truckers, government employees, and sports teams are included in this edition.

*Hospitality Sales and Advertising*, second edition, contains many features to help students. Exhibits and other boxed material illustrate key concepts. Each chapter begins with an outline and ends with review questions and a list of key terms. An extensive glossary at the end of the book defines the key terms, providing a handy student resource.

The text is divided into four parts. Part I begins with an introduction to hospitality sales and marketing, then discusses marketing plans and examines the organization of a sales office in small, midsize, and large

properties. Part II, Sales Techniques, explores personal, telephone, and internal sales, and promotion of on-site revenue centers such as restaurants, lounges, banquet facilities, and meeting rooms. In Part III—Advertising, Public Relations, and Publicity—we look at advertising media and review guidelines for writing and producing advertising that sells. Part IV, Marketing, discusses some of the major market segments (both individual and group) and how to reach them.

In writing a textbook, an author usually starts out with a strong idea of what the book should be like. However, before the manuscript is published, there are a number of suggestions made by students, colleagues, friends, editors, and industry professionals that contribute to the author's original idea and improve the book. I particularly want to acknowledge the helpful comments and contributions of my editor and friend, Jim Purvis. I also wish to thank Paul Wise, Jim Peckrul, Michael Holt, and Ed Sansovini for their work on the first edition.

Finally, I owe a special thank-you to Tom McCarthy. Tom is a veteran of hospitality marketing whose outstanding career and commitment to helping others are shining examples for those aspiring to be hotel sales professionals. His seminars and magazine articles are valuable sources of education for hospitality sales and marketing executives. For his suggestions and contributions to this second edition, and his great contributions to the industry, I dedicate this book to Tom McCarthy.

James R. Abbey  
Las Vegas, Nevada

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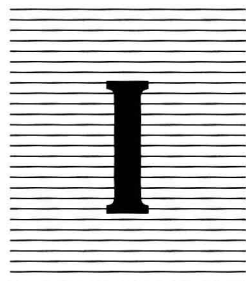
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# Introduction

## **Chapter Outline**

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# 1

## Introduction to Hospitality Sales and Marketing

*I*N 1948, THE TYPICAL HOTEL\* (84.4% of all properties) was located in a population or trade center, had fewer than 50 rooms, and was independently owned. Only 4.7% of all properties belonged to a chain, and there were only two prominent chains—Sheraton and Hilton. Rooms were small, most had no telephone, and a few lacked a private bath. There was no standardization of product, amenities, or services. Rates averaged \$3.75 per night.

Only large properties could afford to support restaurants and bars, and hotels with swimming pools were uncommon. There were a few resorts (most were located in the mountains or near a lake or an ocean), but these properties were primarily seasonal and catered to wealthy individuals.<sup>1</sup>

Beginning in the 1950s, however, hotels began to change, driven by changes in the society around them:

1. *Population growth.* The population began growing significantly, especially in the South, Mountain, and Pacific regions. In addition to this growth, the population began shifting; the Sunbelt (especially Florida and Texas) and the western states (Colorado, Arizona, and California in particular) experienced a tremendous influx of people.
2. *Longer life span.* Not only did the population grow, it became older, and a significant number of new households were formed. Many of these new families relocated, moving across the country as never before.
3. *Improved incomes.* Family incomes improved in the post-war economy, and two-income families became more prevalent. After the belt-tightening war years, families suddenly had more money to spend on travel and leisure. It wouldn't be until the 1970s, when inflation began running rampant, that this trend would be curtailed to any great extent.
4. *Increased leisure time.* Leisure time increased when the 40-hour workweek became commonplace and additional legal holidays were given to workers. Other job market factors such as part-time

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\*Except where otherwise noted, the term "hotel" will be used generically in this text to represent all types of commercial lodging properties, including motels, motor hotels, and resorts.