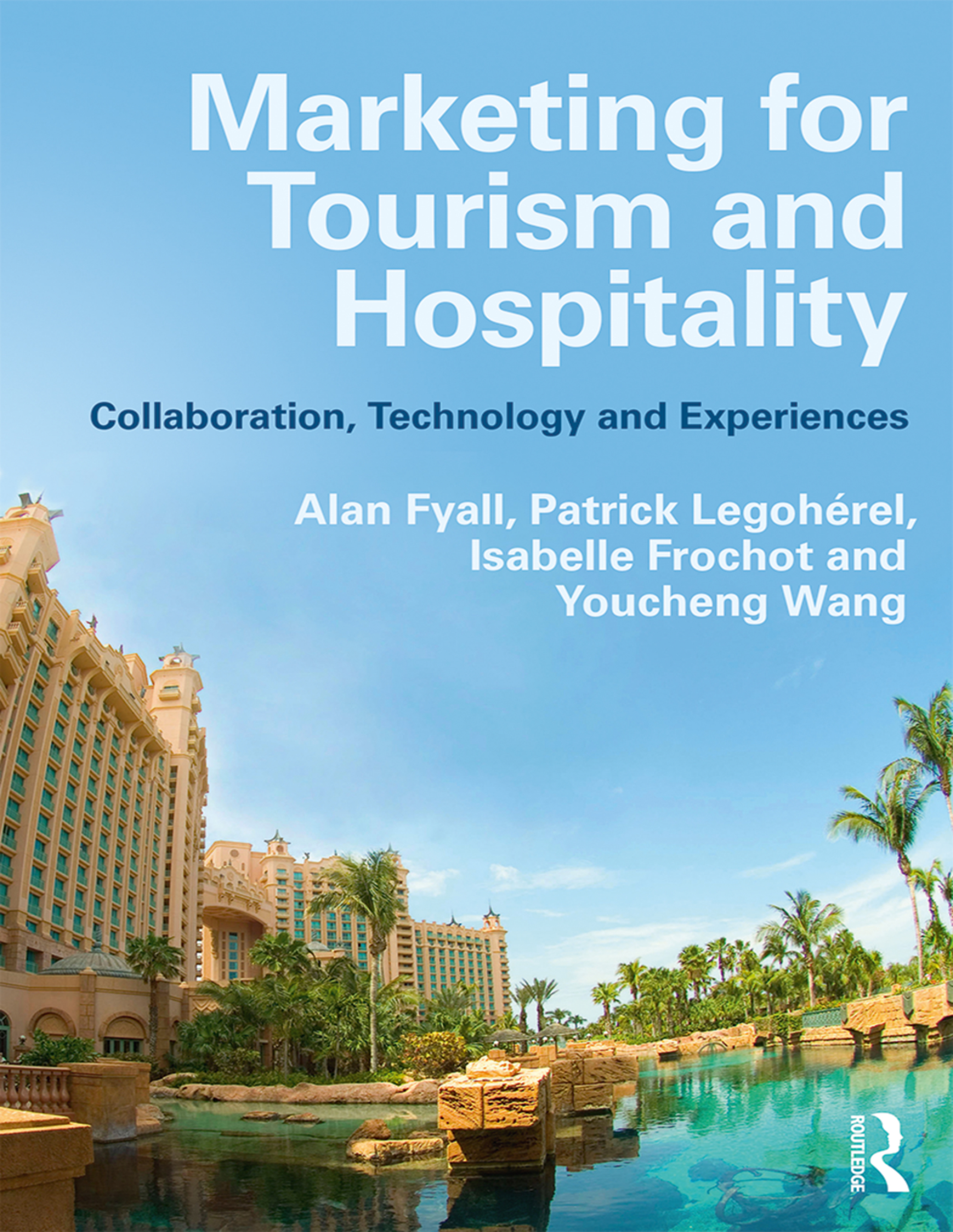
Marketing for Tourism and Hospitality

Collaboration, Technology and Experiences

Alan Fyall, Patrick Legohérel,
Isabelle Frochot and
Youcheng Wang



ROUTLEDGE

MARKETING FOR TOURISM AND HOSPITALITY

The marketing landscape has changed dramatically in recent years, especially for tourism and hospitality practitioners. Marketing for these industries is now a multi-dimensional, collaborative venture driven by technological change and the growing demand for authentic co-created experiences.

Marketing for Tourism and Hospitality provides students with a contemporary, accessible and useful resource as they prepare to encounter the complexities and challenges of tourism and hospitality marketing globally. A clear articulation of the changing landscape, a comprehensive introduction to the three underpinning themes of collaboration, technology and experiences, and a plentiful supply of international case material provide students with an enjoyable and digestible resource that is both academically rigorous and practice-oriented, helping them prepare for day-to-day problems in the dynamic world of marketing.

This contemporary, challenging and highly applied text is an indispensable resource for all students of tourism and hospitality degree programmes.

Alan Fyall is Orange County Endowed Professor of Tourism Marketing and Graduate Programs' Director at the Rosen College of Hospitality Management, University of Central Florida, USA.

Patrick Legohérel is Professor at the School of Hotel and Tourism Management (ESTHUA), University of Angers, France, where he teaches tourist behaviour, marketing strategy, pricing and revenue management in hospitality and tourism, international marketing.

Isabelle Frochot is a Senior Lecturer at the University of Savoie, France, where she teaches tourist behaviour, experiential tourism, branding and international tourism.

Youcheng Wang is William C. Peeper Preeminent Professor in Destination Marketing and Dean of the Rosen College of Hospitality Management, University of Central Florida, USA.

This page intentionally left blank

MARKETING FOR TOURISM AND HOSPITALITY

Collaboration, Technology and Experiences

ALAN FYALL, PATRICK LEGOHÉREL,
ISABELLE FROCHOT AND
YOUCHENG WANG

Routledge
Taylor & Francis Group
LONDON AND NEW YORK

First published 2019
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
52 Vanderbilt Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

© 2019 Alan Fyall, Patrick Legohérel, Isabelle Frochot and Youcheng Wang

The right of Alan Fyall, Patrick Legohérel, Isabelle Frochot and Youcheng Wang to be identified as authors of this work has been asserted by them in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

British Library Cataloguing-in-Publication Data
A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data
A catalog record has been requested for this book

ISBN: 978-1-138-12127-0 (hbk)
ISBN: 978-1-138-12129-4 (pbk)
ISBN: 978-1-315-65102-6 (ebk)

Typeset in Stone Serif
by Integra Software Services Pvt. Ltd.

Visit the eResources: www.routledge.com/9781138121294

Contents

List of figures xiv
List of tables xvi
List of tourism and hospitality insights xvii
List of contributors xx
Preface xxiii
Acknowledgments xxv

1 Revisiting traditional approaches to the marketing of tourism and hospitality 1

Alan Fyall and Kenneth Deptula

Learning outcomes 1
Key terms 1
Introduction 1
Strategic marketing planning process 6
Special characteristics of tourism and hospitality marketing 9
The evolution of economies 12
Conclusion 16
Review questions 17
YouTube links 17
References, further reading, and related websites 18
Major case study: search engine optimization (Amanda Templeton) 21

2 The need for change: the dynamics of the global tourism and hospitality environment 25

Alan Fyall

Learning outcomes 25
Key terms 25
Introduction 25
The external environment 30

The internal environment 39
Conclusion 44
Review questions 44
YouTube links 45
References, further reading, and related websites 46
Major case study: tourism in Brazil: developing tourism in a turbulent environment (James Wollner) 49

3 Collaboration, technology, and experiences: drivers for change in the marketing of tourism and hospitality 53

Alan Fyall and Kenneth Deptula

Learning outcomes 53
Key terms 53
Introduction 53
Collaboration 54
Technology 60
Experiences 68
Conclusion 70
Review questions 71
YouTube links 71
References, further reading, and related websites 73
Major case study: technology in Hilton Worldwide (Ryuichi Karakawa) 75

4 Collaboration marketing: partnerships, networks, and relationships 79

Alan Fyall and Kenneth Deptula

Learning outcomes 79
Key terms 79
Introduction 79
Partnerships 80
Alliances 86
Consortium 90
Conclusion 92
Review questions 94
YouTube links 94
References and related websites 95
Major case study: Star Airline Alliance (Ryuichi Karakawa) 97

5 Technology and marketing: social media and beyond 101

Youcheng Wang

Learning outcomes 101
Key terms 101
Introduction 101
Technology acceptance 104
Internet and Web 2.0 106
Big data analytics 116
Conclusion 118
Review questions 119
YouTube links 119
References, further reading, and related websites 120
Major case study: social media and its impact on changing travel/consumption patterns (Ryuichi Karakawa) 123

6 Experiential marketing: a question of co-creation 127

Isabelle Frochot

Learning outcomes 127
Key terms 127
Introduction 127
Experiential marketing 128
Sensorial marketing 131
Auditory marketing 134
Tactile marketing 134
Olfactive marketing 135
Gustative marketing 136
Visual marketing 137
The evolution of experiential marketing: identification of the main characteristics of the experience 137
Conclusion 145
Review questions 146
YouTube links 146
References, further reading, and related websites 147
Major case study: LUX hotels (Isabelle Frochot) 149

7 New trends in tourism and hospitality consumption 153

Isabelle Frochot

Learning outcomes 153
Key terms 153
Introduction 153

The notion of motivation and its specificities in tourism consumption 154
New trends in the tourism sector 161
Conclusion 170
Review questions 171
YouTube links 171
References, further reading, and related websites 172
Major case study: Amadeus segmentation (Isabelle Frochot) 175

8 Service characteristics and processes 179

Isabelle Frochot

Learning outcomes 179
Key terms 179
Introduction 179
The original approaches to services marketing: services' main characteristics 180
The quest for quality 188
Service encounters and service design 192
Service design tools 193
The different levels of service provision 199
Strategic choices with service components 200
Conclusion 201
Review questions 201
YouTube links 201
References, further reading, and related websites 203
Major case study: comparing service provision of low-cost carriers (LCC) and a regular airline (Isabelle Frochot) 205

9 Looking beyond quality 209

Isabelle Frochot

Learning outcomes 209
Key terms 209
Introduction 209
Challenging normal service traditions 210
Are expectation measures really appropriate? 213
How service components impact satisfaction differently 220
Complexity of satisfaction in an experiential context 221
The means-end-chain model 223
Conclusion 228
Review questions 229
YouTube links 229
References, further reading, and related websites 230

Major case study: satisfaction and dissatisfaction with Reunion Island and the Dominican Republic (Isabelle Frochot) 233

10 Delving deep into the experience 239

Isabelle Frochot

Learning outcomes 239
Key terms 239
Introduction 239
Preparing for the experience 240
Boosting the experience: flow and optimal experiences 246
After the experience 252
Conclusion 258
Review questions 258
YouTube links 259
References, further reading, and related websites 259
Major case study: visit your destination (Isabelle Frochot) 263

11 Consumer intelligence searching: emerging tools, methodologies, and techniques 267

Isabelle Frochot

Learning outcomes 267
Key terms 267
Introduction 267
Academic research and consultancy 268
How to conduct a research project 270
Quantitative research approach 275
Quantitative data analysis 277
Qualitative research approach 279
Conclusion 287
Review questions 289
YouTube links 290
References, further reading, and related websites 291
Major case study: individual research project (Isabelle Frochot) 293

12 Marketing strategy 297

Patrick Legohérel

Learning outcomes 297
Key terms 297
Introduction 297

General framework and stages in the strategic approach 297
The strategic line of approach 303
Strategic approaches 303
International strategy 312
Conclusion 312
Review questions 314
YouTube links 314
References, further reading, and related websites 315
Major case study: the strategy of Succès Voyage (Patrick Legohérel) 317

13 Market segmentation, targeting, and positioning 321

Patrick Legohérel

Learning outcomes 321
Key terms 321
Introduction 321
Market segmentation: implementing segmentation 322
Market segmentation: segmentation principles 324
Market segmentation: segmentation criteria 326
Socio-demographic, economic, and geographic market segmentation 326
Market targeting and positioning 336
Conclusion 338
Review questions 340
YouTube links 340
References, further reading, and related websites 341
Major case study: guiding the "coming to life" of Destination Canada's brand identity through market research (Patrick Legohérel) 343

14 International marketing strategy 349

Patrick Legohérel

Learning outcomes 349
Key terms 349
Introduction 349
International development strategies 350
Adaptation, globalization, or glocal-ization? 352
International destination marketing strategies 355
Conclusion 370
Review questions 370
YouTube links 371
References, further reading, and related websites 372
Major case study: Tunisia – international tourism strategy: focusing on tourist experience, digital media and social networks (Patrick Legohérel) 373

15 Marketing destinations 381

Youcheng Wang

Learning outcomes 381
Key terms 381
Introduction 381
Destinations 382
Systems approach to destination marketing and management 387
Roles of DMOs in destination marketing and management 391
Destination positioning 396
Conclusion 402
Review questions 402
YouTube links 403
References, further reading, and related websites 404
Major case study: innovation in marketing the Wild Atlantic Way (Amanda Templeton) 407

16 Innovation and new tourism and hospitality products, services, and experiences 411

Patrick Legohérel

Learning outcomes 411
Key terms 411
Introduction 411
Innovation: conceptual approach and process 412
Innovation in tourism and hospitality, new services, and new customers' experiences 413
Innovation and virtual reality (VR) 428
Conclusion 431
Review questions 434
YouTube links 434
Further reading and related websites 435
Major case study: LUX* (Patrick Legohérel) 437

17 Pricing and revenue management 443

Patrick Legohérel

Learning outcomes 443
Key terms 443
Introduction 443
Revenue management components and metrics 450
Evolution of revenue management 456
Conclusion 465

Review questions 466
YouTube links 467
References, further reading, and related websites 468
Major case study: smart pricing: the demand-based pricing solution by Accor Hotels (Patrick Legohérel) 471

18 Image and branding 475

Youcheng Wang

Learning outcomes 475
Key terms 475
Introduction 475
Image and brand in hospitality and tourism: concepts and definitions 476
Measurement of brand image 480
Alternative qualitative methods 483
Destination image formation 488
Destination image change 490
Conclusion 492
Review questions 493
YouTube links 493
References, further reading, and related websites 494
Major case study: employee branding at Southwest Airlines (Ryuichi Karakawa) 497

19 Customer relationship management: loyalty and social networks 501

Patrick Legohérel

Learning outcomes 501
Key terms 501
Introduction 501
Information systems in the tourism sector 502
Direct marketing 505
Securing customer loyalty 508
Conclusion 519
Review questions 519
YouTube links 519
Further reading and related websites 520
Major case study: Sodexo: development of a new customer relationship management (CRM) program for B2B activities (Jean-Jacques Laham) 521

20 Channels of distribution 525

Youcheng Wang and Jalayer Khalilzadeh

Learning outcomes 525
Key terms 525
Introduction 525
Functions of distribution channels 526
System approach to distribution channels 528
System typology 529
Channel behavior 530
The role of information and communication technology 532
Conclusion 539
Review questions 540
YouTube links 540
Further reading and related websites 541
Major case study: the evolution of distribution channels in travel and TripAdvisor (Ryuichi Karakawa) 545

21 Media, public relations, and marketing communications 549

Youcheng Wang

Learning outcomes 549
Key terms 549
Introduction 549
Changes and trends 554
Evolution of communication theories 561
Conclusion 569
Review questions 569
YouTube links 570
References and related websites 571
Major case study: technological communication during natural disasters (Amanda Templeton) 573

22 The future of tourism and hospitality marketing 575

Alan Fyall

Learning outcomes 575
Key terms 575
Introduction 575
Change and the emerging experiential phenomenon 578
Looking to the future 579
References and further reading 583

Index 585

FIGURES

2.1 Factors in the external macro environment 30
2.2 Factors in the internal micro environment 40
5.1 The cumulative distribution of technology acceptance 104
5.2 A conceptual model of virtual tourist community 110
6.1 The five senses 131
6.2 The key experience components 145
7.1 Family dynamics 155
7.2 Holidays as opposed to everyday life 157
7.3 Key motivation components 160
8.1 The tangible/intangible service continuum 185
8.2 The customer journey template 196
8.3 A simplified consumer journey analysis 196
8.4 The blueprint model 198
8.5 Service structure of mainstream airlines 205
8.6 Facilitating services 206
8.7 Supplementary services 206
9.1 The expectations/perceptions dynamics 212
9.2 Travelsat scores per age ranges 214
9.3 Level of satisfaction by destination 215
9.4 Levels of satisfaction by activities practiced during a stay 216
11.1 Word clouds 294
11.2 Lexical proximities 295
13.1 Resources and devices used by long-haul French leisure tourists to plan trips 345
13.2 Devices taken in trip and mobile phone usage of long-haul leisure tourists from France 346
13.3 Destinations UK long-haul travelers are seriously considering visiting in the next two years 346
14.1 Illustration of marketing strategy based on destination, origin, and time 361
14.2 Implementation of a marketing strategy based on paid, owned, and social media 363
15.1 Butler's tourism area lifecycle model of destination development 386
15.2 Tourism system from a geographical perspective 388
16.1 LUX* Resorts & Hotels – revenue and training hours for team members 439
17.1 Revenue management systems overview 456
17.2 Big data 4 Vs 461
17.3 Price-demand curve 472
17.4 Price elasticity of the demand 472
18.1 The three-dimensional components of destination image 479

19.1 Example of a sales dashboard at global level 522
21.1 The collaborative imperative 553
21.2 Schramm process model 561
21.3 Shannon-Weaver's model of communication 562
21.4 Osgood-Schramm model (1993) 563
21.5 Fill's adaptation model of the marketing communication transmission model 563
21.6 Maletzke's model 564
21.7 (a) Traditional mass media communication model; (b) Two-step flow model without mutuality 565
21.8 Scale-free network of a hypothetical social group with 400 members and their professional (work-related) relationship in terms of who is reporting 567

TABLES

6.1 Variables used in traditional approaches compared to experiential theories 129
7.1 Key motivations according to Crompton (1979) and Krippendorf (1999) 160
8.1 Histoqual 191
8.2 Blueprint for museum visit 194
9.1 Expectations/perceptions alignment according to hotels' classification 210
9.2 Travelsat Index 214
9.3 Means of importance scores of service quality dimensions for each benefit cluster 227
9.4 Items measured 233
9.5 Top ten elements contributing to dissatisfaction 236
9.6 Top ten elements contributing to satisfaction 237
11.1 Interview guide to investigate forest as a tourist destination 281
14.1 Implementation of the BAS strategy by allocating a promotional budget to three international regions 362
18.1 Gartner's typology of destination image formation agents 489

TOURISM AND HOSPITALITY INSIGHTS

1.1 Selling timeshare (Amanda Templeton and Liza Cobos) 04
1.2 French Ministry of Tourism (Alan Fyall and Emmanuel Meunier) 10
1.3 The Ritz-Carlton – from service to experiential marketing (Amanda Templeton) 13
1.4 User-generated content: the future of hotel marketing (Amanda Templeton) 15
2.1 UNWTO highlights 2017 (Alan Fyall, James Wollner, and Ryuichi Karakawa) 28
2.2 Millennial views of the world – same world, different viewpoints (James Wollner) 35
2.3 World Economic Forum – tourism competitiveness (James Wollner and Ryuichi Karakawa) 42
3.1 SkyTeam Alliance (Ryuichi Karakawa) 55
3.2 Kayak.com (Ryuichi Karakawa) 61
3.3 Big data in tourism and hospitality – Mastercard (Ryuichi Karakawa) 66
4.1 Collaborative destination marketing in action – Brand USA (Ryuichi Karakawa) 83
4.2 Virgin Atlantic World Elite Mastercard (Ryuichi Karakawa) 85
4.3 Leading hotels of the world (Ryuichi Karakawa) 93
5.1 Social media derails strikes in France (Amanda Templeton) 108
5.2 How technology is helping keep communication flowing during natural disasters (Amanda Templeton) 113
5.3 Enhancing the travel experience – social media and beyond (Amanda Templeton) 114
6.1 Mountain resorts in the French Alps: the “chalet ambience” label in Méribel (Isabelle Frochot) 133
6.2 Eye-tracking in the museum (T.O.M) 138
6.3 The iceman (Isabelle Frochot) 140
6.4 Ghost Tours in Prague (Isabelle Frochot) 143
7.1 Absolute relaxation and all-inclusive products (Isabelle Frochot) 154
7.2 Generation Y’s attitude to travel (Lee) 158
7.3 Girlfriends’ getaway (Neault) 161
7.4 Digitalization and consumption behavior (Ludovic Dublanchet, Pierre Eloy, and François Perroy) 162
7.5 Playfulness in aquaparks (Isabelle Frochot) 164
7.6 Peak walk, Gstaad (Isabelle Frochot) 166
7.7 Disney: Nature Village (Isabelle Frochot) 167
7.8 Amadeus’ vision of the key new evolutions in the travel market (Isabelle Frochot) 170
8.1 Aussie Specialist Program (Isabelle Frochot) 182
8.2 Guaranteeing a good holiday despite the weather conditions (Isabelle Frochot) 184
8.3 ISO and services requirements (Isabelle Frochot) 189

8.4 HISTOQUAL (Frochot and Hughes) 190
8.5 Constructing personas (Isabelle Frochot) 194
9.1 How are expectations driven by hotel classification schemes? (Péloquin C.) 210
9.2 Evaluating digital hospitality (TCI Research and A. Racine) 214
9.3 EU compensation rule (Isabelle Frochot) 218
9.4 The importance-performance model to inform strategic decisions (Isabelle Frochot) 219
9.5 The means-end chain for a group stay at a ski resort (Isabelle Frochot and D. Kreziak) 224
9.6 How benefits sought to influence the perception of quality (Isabelle Frochot) 226
10.1 Ghost stories (Isabelle Frochot) 241
10.2 Apus Peru's travelers' code of conduct (Isabelle Frochot) 242
10.3 Sylvain Rabuel CEO Club Med France Europe Africa (Sylvain Rabuel) 247
10.4 Flow in outdoor activities: mountain biking (Isabelle Frochot) 250
10.5 The La Plagne study (Isabelle Frochot, S. Elliot, and D. Kreziak) 253
10.6 Positive tourism – my serenity in Val Thorens ski resort (Isabelle Frochot) 257
11.1 Handbooks of scales (L. Zarantonello and V. Pawels-Delassus) 276
11.2 Focus on the main statistical tests (Isabelle Frochot) 278
11.3 Interview guide example on nature as a leisure/tourism destination (Isabelle Frochot) 281
11.4 My experience fellow: new technology and service design (Isabelle Frochot) 288
12.1 SWOT analysis: five-star luxury hotel, Bordeaux, France (Patrick Legohérel) 299
12.2 Business insolvency and restaurants: a comprehensive review of macro and micro factors (H.G. Parsa, Barron Hilton Chair and Professor, Daniels School of Business, University of Denver, USA) 301
12.3 The franchise model in Europe's hotel industry (Patrick Legohérel/Groups and Brands opened to franchise, *Hospitality-On*, 238–239, July–August 2015) 304
12.4 Hotel franchising strategy: Accor (Patrick Legohérel/*Hospitality-On,* 238–239, July–August 2015) 305
12.5 How significant is a global alliance for a medium-sized airline company? The case of Middle East Airways (MEA) (Ali Kassir, Middle East Airways) 308
12.6 International expansion of JinJiang in France (Patrick Legohérel) 313
13.1 Hotel segmentation (Stéphane Gautier, Hotel Manager, Orléans, France) 323
13.2 The Millennials (also called digital natives) (Patrick Legohérel) 328
13.3 Mauritius – destination target marketing and positioning (AHRIM/Patrick Legohérel) 339
14.1 Louvre Hotel Group and JinJiang International (Patrick Legohérel) 356
14.2 Territorial branding, pooling, and outsourcing: the new paradigm of country branding and place marketing (Philippe Mugnier) 357
14.3 Digital marketing in promoting tourism in Indonesia (I Gusti Ayu Oka Suryawardani and Agung Suryawan Wiranatha) 360
14.4 International strategy of the city of Angers (France) (Olivier Bouchereau) 365
15.1 VisitBritain – marketing the UK internationally (Amanda Templeton) 384
15.2 Using TripAdvisor to market a destination (Amanda Templeton) 397
15.3 Combating overtourism (Amanda Templeton) 400
16.1 Innovation lab in the hospitality sector: interview with Fredéric Fontaine, Accor Hotels (Patrick Legohérel/*Hospitality On*, 258–259, pp. 30–33) 414

16.2 From virtual to real innovation: the case study of the hotel brand "Aloft" (Patrick Legohérel/*Hospitality On*, 258–259, pp. 40–44) 415
16.3 Innovation lab and schools: the case of tomorrow's guestrooms at the School of Hospitality and Tourism Management (SHTM), Hong Kong Polytechnic University (Patrick Legohérel and P. Kaye Chon, Dean, School of Hotel and Tourism Management, Hong Kong Polytechnic University) 416
16.4 Jo&Joe (Accor Hotels) (*Hospitality ON*, 258–259, p. 32) 420
16.5 Hilton's Corner and new lobby (Patrick Legohérel/ *Hospitality On*, 250–251, p. 57) 421
16.6 PodShare (Patrick Legohérel/*Hospitality On*, 250–251, p. 50) 421
16.7 WeWork (Patrick Legohérel/*Hospitality On*, 250–251, p. 53) 422
16.8 Anticafé (Leonid Goncharov) 422
16.9 1888 Hotel Sydney (Patrick Legohérel) 425
16.10 CitizenM (Patrick Legohérel/*Hospitality ON*, 258–259, pp. 53–57) 426
16.11 Huttopia (Céline Bossanne) 427
16.12 Virtual reality (Juleigh Giberson, BSc. and Fredéric Dimanche, Ph.D., Ted Rogers School of Hospitality and Tourism Management, Ryerson University, Canada) 428
16.13 Best Western Virtual Reality Experience (Patrick Legohérel and Olivier Cohn) 431
16.14 The château of Chambord, France (Patrick Legohérel) 432
17.1 Revenue management and collaboration (Amina Hachem) 444
17.2 The revenue management contribution to NH Hotel Group objectives and key priorities (Mona Maamari) 446
17.3 Restaurant revenue management (Cindy Yoonjoung Heo) 448
17.4 Revenue management at the InterContinental Carlton Cannes (Jad Aboukhater) 454
17.5 How big data improves revenue management (Christophe Imbert) 461
18.1 Image of China in the eyes of the international travelers (Youcheng Wang) 481
18.2 Destination image of Hong Kong measured by using a complimentary approach (Youcheng Wang) 484
19.1 Visit French Wine (Patrick Legohérel) 507
19.2 The evolution of hotel loyalty programs (Isabelle Frochot and Patrick Legohérel) 509
19.3 CRM in the independent luxury hotel sector: the case of L Hotel in London (Charlotte Reed and Xuan Lorna Wang) 510
19.4 Social network advertising by customers (Patrick Legohérel) 513
19.5 Social media management: when relationship marketing becomes leverage for tourism promotion! (Nathalie Dalmasso, Digital Communication Officer, Côte d'Azur CRT) 514
20.1 Hotel electronic distribution options (Amanda Templeton) 532
20.2 Metasearch engines vs. OTAs (Online Travel Agents): clearing up the differences (Amanda Templeton) 534
20.3 Travel agents and/or OTAs? (Amanda Templeton) 537
21.1 Collaboration matters (Youcheng Wang) 553
21.2 United Airlines and policy changes following Flight 3411 (Amanda Templeton) 555
21.3 Social media 3.0 (Youcheng Wang) 560
21.4 Experience and story (Youcheng Wang) 568

Contributors

Alan Fyall is Orange County Endowed Professor of Tourism Marketing and Graduate Programs' Director at the Rosen College of Hospitality Management, University of Central Florida, and is a member of UCF's National Center for Integrated Coastal Research. He has published widely in the areas of tourism and destination marketing and management including 22 books. Dr. Fyall is a former member of the Bournemouth Tourism Management Board (DMO) and Board of Solent Synergy Ltd in Southern England, and has conducted numerous consulting and applied research projects for clients in the UK, the European Union, Africa, the Caribbean, the USA, Central and South America, and South East Asia. Clients include Grant Thornton, Ernst & Young, the Commonwealth Secretariat, the Malaysian Government, the Supreme Commission for Tourism and Antiquities (Saudi Arabia) and the World Travel and Tourism Council.

Alan currently teaches International Tourism Management and Destination Marketing and Management and to date has examined 27 PhDs in the UK, India, France, South Africa, Australia, Hong Kong, and Malaysia. He has organized a number of international conferences and workshops for academic, professional, and governmental audiences and is frequently invited to deliver key note addresses. He is Co-Editor of Elsevier's *Journal of Destination Marketing & Management* and sits on the editorial boards of many leading journals. His current research interests relate to smart and sustainable tourism and destination resilience in Florida, the Caribbean, and South East Asia.

Patrick Legohérel is Professor at the School of Hotel and Tourism Management (ESTHUA), University of Angers, France, where he teaches tourist behavior, marketing strategy, pricing and revenue management in hospitality and tourism, international marketing. He has also been a Visiting Professor at several universities (including Hilton College, University of Houston (USA), School of Hotel and Tourism Management, Hong Kong Polytechnic University (Hong Kong SAR), the University of Guangzhou, and Sun Yat-Sen University (China)).

His work has appeared in both marketing journals (such as the *European Journal of Marketing, Journal of Retailing and Consumer Services, Journal of Consumer Marketing*, etc.), and tourism and hospitality journals (including *Tourism Management, International Journal of Contemporary Hospitality Management, Journal of Travel and Tourism Marketing*, etc.). He also serves on the editorial boards of ten international journals, including *Journal of Travel and Tourism Marketing, Journal of Travel Research, Journal of Destination Marketing and Management,* and *International Journal of Contemporary Hospitality Management.*

Patrick has also published three books in the area of tourism marketing, including *Marketing du tourisme* (4th ed., Dunod, 2018) (co-authored with Isabelle Frochot), and *Revenue Management for Hospitality and Tourism* (GoodFellow Publisher, 2013) (co-authored with Alan Fyall).

Patrick's research interests lie in consumer behaviour – technology acceptance, senior, variety seeking, atmospherics, consumer spending, and price perception. He also specializes in revenue management, both in terms of research interest and publications, and managerial implications (he is director of the master's program in revenue management at the University of Angers, a member of the Revenue Management Club France, undertakes consultancy, and is co-founder of the Remaps conference). He is also a TTRA European Chapter board member, and he was in charge of the Angers TTRA 2017 European Conference.

Isabelle Frochot is a senior lecturer at the University of Savoie, France, where she teaches tourist behaviour, experiential tourism, branding and international tourism. Isabelle completed her PhD at Manchester Metropolitan University on the subject of heritage quality perceptions and visitors' segmentation. She has published five books in the area of tourism marketing and published in international tourism journals as well as conferences throughout the world.

Isabelle is a past president of TTRA Europe and has organized several international conferences over the years as well as sitting on the editorial board of the *Journal of Travel Research, Journal of Vacation Marketing, Journal of Destination Marketing and Management, Mondes du Tourisme* and *Journal of Gastronomy and Tourism*.

Isabelle's research interests include tourists' psychographic segmentation techniques, the definition and redefinition of tourists' vacation satisfaction and experiential marketing. Since returning to France, Isabelle has moved her research focus to mountain tourism, conducting various studies on its image and exploring customer satisfaction and experiential dimensions within this context. Her current interests include the study of the tourist experience, with a specific focus on flow, immersion, nesting, and satisfaction. Isabelle is also involved in various publicly-funded projects and consultancy projects in the areas of experience management in mountain and museum contexts.

Youcheng Wang is Professor and Dean of the Rosen College of Hospitality Management, University of Central Florida. His teaching area includes destination marketing and management, information system management, technology and e-commerce strategy, and research methods in hospitality and tourism.

Dr. Wang's research interest focuses on hospitality marketing, destination marketing and management, customer relationship management, information search behavior, collaborative strategies, and technology management. He is the author of three books and more than 100 scientific publications. He is the Co-Editor of *Journal of Destination Marketing and Management*, and is on the editorial board of nine international academic journals in the domain of hospitality and tourism marketing and management.

Dr. Wang has consulting experience in the areas of destination marketing and development, technology and e-commerce strategies for hospitality and tourism organizations, collaborative strategies for regional destination marketing and management, and experiential marketing.

Dr. Wang earned his master's from Purdue University and his PhD from the University of Illinois. He is a member of several professional associations including the Travel and Tourism Research Association (TTRA), the International Council on Hotel, Restaurant and Institutional Education (I-CHRIE), the International Society of Travel and Tourism Educators (ISTTE), and Hospitality Financial and Technology Professionals (HFTP). He also serves on the Research Committee of Visit Orlando and the Expert Committee of Shanghai Tourism Development Research Center.

Kenneth Deptula, Amanda Templeton, Ryuichi Karakawa, and James Wollner, are all current or former graduate students at the Rosen College of Hospitality Management, University of Central Florida, in Orlando, Florida.

Preface

Welcome to the first edition of *Marketing for Tourism and Hospitality: Collaboration, Technology and Experiences*. The marketing landscape has changed dramatically in recent years with marketing practitioners in the fields of tourism and hospitality frequently at the forefront of such changes. The marketing of tourism and hospitality is no longer a static, single-organizational activity, rather it is a multi-dimensional, collaborative venture driven by technological change (more often than not of a mobile nature) and the insatiable appetite amongst consumers for authentic co-created experiences. As such, rather than discuss collaboration, technology, and experiences in isolated chapters, these three trends underpin the entire text and collectively shape what we believe to be a contemporary, challenging, realistic, and highly-applied text for students of tourism and hospitality marketing.

The book has been written for a truly international audience, as reflected by the global dynamics and reach of tourism and hospitality, with first- and second-year undergraduate markets ideally suited to the content and style of the book. The three underpinning themes are integrated throughout the entire text with tourism and hospitality *insights* used throughout to amplify real-life marketing situations, challenges and solutions.

The speed with which the wider environment and markets are changing pose particular challenges to faculty teaching such programs with the pressures of modern-day academia frequently conspiring against the delivery of quality lectures, seminars, and workshops. Pressure to publish, generate income, and entertain "Millennial" students necessitates the need for quality, up-to-date, and relevant textbooks that challenge traditional approaches and provide contemporary and applied solutions to real-life marketing problems. The collective teaching and publishing experience of the authors, the structure and organization of ideas, and the provision of numerous examples and associated online resources available for this text are such that we feel confident that this book will be an indispensable resource for future teaching needs.

For students, the text will provide a contemporary, accessible, and useful resource as they encounter, possibly for the first time, the intricacies and complexities of tourism and hospitality marketing and the very real challenges that lie ahead. A clear articulation of the changing landscape, an accessible introduction to the three underpinning themes of collaboration, technology and experiences, and a plentiful supply of case material provide students with an enjoyable and digestible resource that will challenge them academically as well as prepare them for day-to-day problems in the real and dynamic world of marketing.

We hope you enjoy the book and are excited as we are about the future of tourism and hospitality marketing.

Alan Fyall, Patrick Legohérel, Isabelle Frochot, and Youcheng Wang
July 2018

Acknowledgments

Completing a book of this nature and magnitude is never an easy task and as such, we are all hugely grateful to a large number of people for their time, advice and contributions over the past two years. In addition to our respective families for persevering with "yet another book", we are all hugely indebted to the following in particular.

To Kenneth Deptula, Amanda Templeton, Ryuichi Karakawa, Jalayer Khalilzadeh, and James Wollner, all current or former graduate students at the Rosen College of Hospitality Management, University of Central Florida, in Orlando, Florida. Without your collective input, this book would have been seriously delayed, with your enthusiasm, willingness to "go find cases" and impressive ability to complete work of such a high standard at such short notice to be commended. You are all a credit to the college and university!

From Patrick, a heartfelt thanks goes out to colleagues and staff of the research department GRANEM (University of Angers, France), for their support, and specifically Gemma Davies, research assistant. For particular chapters, Patrick would like to thank the following: Chapter 12, H.G. Parsa, Barron Hilton Chair and Professor, Daniels School of Business, University of Denver, USA; Emmanuel Meunier, TCI Research; Georges Panayotis, Editor-in-Chief, *Hospitality On*, Paris, France; Ali Kassir, Senior Officer Inventory Management, Marketing and Development, Middle East Airways, Lebanon; Olivier Glasberg, Associate Director, Succès Voyage, Paris, France. Chapter 13, Stéphane Gautier, Hotel Manager, Orléans, France; Jocelyn Kwok, CEO, AHRIM – Association des Hôteliers et Restaurateurs, Mauritius; Michel Dubreuil, Destination Canada, Vancouver, Canada. Chapter 14, Philippe Mugnier, Founding President of ATTRACT, Consulting, strategy, and marketing agency for attractivity, Paris, France; I Gusti Ayu Oka Suryawardani and Agung Suryawan Wiranatha, Doctorate Program in Tourism, Udayana University, Bali, Indonesia; Olivier Bouchereau, Marketing Department, Angers Loire Tourisme, Angers, France; Feriel Gadhoumi, Tunisian National Tourism Office, Tunisia. Chapter 16, Georges Panayotis, Editor-in-Chief, *Hospitality On*, Paris, France (a special thanks to *Hospitality On*, and Georges Panayotis, Editor-in-Chief, for their contribution to Chapter 16); P. Kaye Chon, Dean, School of Hotel and Tourism Management, Hong Kong Polytechnic University, Hong Kong SAR; Leonid Goncharov, CEO, Anticafé company, Paris, France; Céline Bossanne, Huttopia company, France; Juleigh Giberson, BSc and Frederic Dimanche, PhD, Ted Rogers School of Hospitality and Tourism Management, Ryerson University, Canada; Olivier Cohn, CEO, Best Western® Hotels & Resorts France;

Cécilie de Saint Venant, Domaine National of Chambord, France; Julian Hagger, Chief Sales and Marketing Officer, LUX Hospitality, Mauritius. Chapter 17, Amina Hachem, Head of Revenue Management Department at Middle East Airlines, Lebanon; Mona Maamari, Director of Revenue Management Development, Madrid, NH Hotel Group, Spain; Cindy Yoonjoung Heo, PhD, Assistant Professor of Revenue Management. École hôtelière de Lausanne, HES-SO/University of Applied Sciences Western Switzerland. Jad Aboukhater, Director of Revenue Management, InterContinental Carlton Cannes, France; Christophe Imbert, RM expert, Milanamos, France; Agnès Roquefort, Senior VP Global RM, Pricing and Analytics, Data and RM Department, Accor Hotels, France. Chapter 19, Charlotte Reed and Xuan Lorna Wang, University of Surrey, UK; Nathalie Dalmasso, Digital Communication Officer, Côte d'Azur CRT, France, Jean-Jacques Laham, Client Relations Manager, Sodexo Energy and Resources, UK, and Emmanuel Meunier (TCI Research).

From Isabelle, a big thank you goes to: colleagues from the research lab IREGE and teaching department CITHEME, both at Université Savoie Mont Blanc. She also wishes to thank all the contributors on the GlobeVeilleur website for producing interesting and up-to-date information on the tourism and hospitality industry. For the chapters, Isabelle wishes to thank: Florence Boyer (Chargée de communication institutionnelle – Disneyland Paris), Christel Camelis (Université de la Réunion), Amber Cumings (Aussie Specialist Program Executive | Tourism Australia), Ludovic Dublanchet, Pierre Eloy, and François Perroy (Agitateurs des Destinations Numériques), Elsevier, Emerald Group, Annabelle Forget (Assistant Group Head of Legal, Secretarial, and Corporate; LUX Hospitality Ltd), Melitta Franceschini (South Tyrol Museum of Archaeology), Grégory Guzzo (Office de Tourisme de Val Thorens), Olivier Henry-Biabaud (CEO | TCI Research), Alastair M. Jack (Partnership and Promotions Manager, GoToBermuda.com), Teresa Lee (Hotel-Online), Julia Luczak-Rougeaux (Travelonmove.com), Hana McGee (McGee's entertainements), Jean and Boris Moscarola (Sphinx), Sylvain Rabuel (Club Med France Europe Afrique), Katharina Rainer (Marketing and PR, My Experience Fellow), Abel Rupari (customer service representative | marketing and sales | iso central secretariat), Rob Sinclair-Barnes (Strategic Marketing Director – Airlines, Amadeus), Inga Hlín Pálsdóttir (Director, Visit Iceland and Creative Industries), Sage Publications and Taylor and Francis.

Finally, a huge thank you to all our students over the years who have served to stimulate our continuous curiosity and interest in tourism and hospitality marketing and for contributing their part in the co-creation of knowledge in this fascinating, fast-changing, and demanding field. Thank you, we hope you enjoy the book!

1 Revisiting traditional approaches to the marketing of tourism and hospitality

Learning outcomes

By the end of this chapter, students will:

- Understand the meaning of marketing and the origins of the marketing management concepts
- Become familiar with the strategic marketing planning process
- Understand the special characteristics of services generally and tourism and hospitality marketing more specifically
- Be cognizant of the evolution of economies and the emergence of the experience economy.

Key terms

marketing, marketing management concepts, strategic marketing planning, experience economy

Introduction

What is marketing?

According to the American Marketing Association, “Marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large” (Kotler & Keller, 2016, p. 26). This all-encompassing definition can be both intimidating and confusing to many. For now, think about marketing as a process in which a company seeks to understand the consumers’ needs and desires. Then, with this new understanding, the process culminates with the active education of the consumers about how one’s products and services help fulfill their needs and desires. Some view marketing as the promotion of only tangible products; this is incorrect. The truth is, just about everything can be marketed; events, people, ideas, and services are just a few of these entities.

Marketing methods, originating in the early 20th century in western economies, are now omnipresent across the world with the vast majority of economies, even those with high levels of state control, adopting in some shape or form the basic tenets of marketing and market orientation. The world we live in is very complex with a number of quite considerable forces for change disrupting the current status quo to the extent that uncertainty is now the new normal in many countries. What doesn't change though is the need to understand the needs, wants, and desires of individuals and groups of individuals who make up the markets that consume the products manufactured and supplied in order to ensure that those products and services delivered are those that the market wishes to consume. This process of "exchange" where supply ideally matches demand can relate to all exchange scenarios whether the exchange is driven by money, time, or societal need. As long as there exists some degree of freedom of choice as to which products or services the market can choose then the notion of exchange remains central to marketing irrespective of the product or service in question. According to Middleton et al. (2009, p. 24), for the user or buyer marketing is concerned with six key questions:

1. What are the needs, wants and desires of existing and prospective users and their interactions with suppliers?
2. Which products or services do they wish to buy or use and at what price?
3. What information do they obtain to make their purchasing or consuming decisions, how do they process that information and what type of communication influences their decision?
4. Where do they obtain their preferred products and services (i.e. where do they buy them from)?
5. What level of post-sales service is required (if any)?
6. What is their level of satisfaction with their purchase or consumption and how likely are they to make such a decision again?

For the producer or supplier organization, meanwhile:

1. Which products and services do they need to supply and why?
2. How many of the products or services do they need to produce?
3. At what price or cost do these products and services need to be made available for?
4. How should they communicate their products and services to users and buyers?
5. When, where, and how do they make them available to the market?
6. What level of service is required before, during, and/or after purchase has taken place?

What seem like very simple and ordinary questions on the surface, in reality require a management decision process and the adoption of a marketing orientation that ensures that the real needs of the market are met. This approach, which is often referred to as the "marketing concept" is, however, just one of four historical marketing concepts outlined in the next section.

The historical marketing management concepts

As mentioned above, there are four different trains of thought when it comes to marketing management. All of these concepts aim to fulfill business objectives and achieve financial success. However, each of these concepts have differing means to reach these ends. The four marketing management concepts are the: product concept; selling concept; marketing concept; societal concept.

The “product concept” can most easily be defined by the cliché, “Build it and they will come.” This theory assumes that if a quality product is built and sold at a reasonable price, little-to-no marketing effort will be needed to sell the product. This marketing management concept is what is known as a “product-oriented strategy.” Management’s concentration is on continuously improving their product, rather than on marketing strategies, in the hopes that the quality of the product itself will create demand. This concept’s popularity stems from an environment where demand outpaced supply; there was a shortage of manufactured goods and most markets had scarce levels of competition. Often being the only option to consumers, marketing as we know it today was generally deemed unnecessary. The product concept was wildly popular throughout history, ultimately giving way to the next orientation around the 1930s.

The “selling concept” states that consumer demand will not meet a company’s goals unless the product is aggressively promoted. Unlike the product concept, this concept assumes that when businesses and consumers are left alone, they will not naturally interact with one another. Those who operate under this business orientation believe that the degree of aggressiveness in advertising and selling tactics will have a positive correlation with sales volume. Thus, their primary objective is to increase profits through mass selling. This concept came about as competition in market places began to grow and supply began to exceed demand. Like the product orientation, this concept was inward looking. This myopic sales-oriented philosophy fails to address the needs, wants, or values of the consumer. The ever-increasing competition and focus on maximizing sales above all else, often leads to price wars, and declining product quality. Even if some companies survive a war of attrition, they ultimately suffer, as consumers begin to perceive the product as “cheap.” The selling concept spawned in the midst of the Great Depression and maintained its popularity well into the 1950s. On rare occasions, the concept can still hold relevance in today’s environment. In fact, Tourism and hospitality insights 1.1 demonstrates a very good example of where the selling concept continues to thrive.

The “marketing concept,” meanwhile, is the concept we will spend the most time focusing on in this book. This concept shifted the strategic mindset for companies. Before, businesses operated on a “Sell what we can make” approach. With the marketing concept, businesses now operated with a “Make what we can sell” tactic. In market-driven economies, the primary focus of the marketing concept is to analyze and satisfy the wants and needs of the consumer. If achieving this, a company should also always be looking to create and increase overall customer value. It must be recognized that

TOURISM AND HOSPITALITY INSIGHTS 1.1

SELLING TIMESHARE

The sales process involves all aspects of an encounter between a salesperson and a prospective customer (AIF, 2014). Salesmanship is "the process of effecting the transfer, with a profit to buyer and seller, of goods and services that give such lasting satisfaction that the buyer is predisposed to come back to the seller for more of the same" (Vashisht, 2006, p. 14).

A salesperson must determine the prospects' personal and family vacation goals, overcome any false perceptions the prospects might have, familiarize the prospects with the vacation ownership products and services available, and create a favorable impression of vacation ownership, the developer, and the resort. There is a saying within the vacation ownership industry: "People do not buy vacation products for how they work; they buy for how the product makes them feel" (AIF, 2014, p. 103). Often, prospects often approach the sales encounter with preconceptions based on publicity, comments from friends and acquaintances, and/or prior vacation ownership tours.

Therefore, the salesperson must remember several fundamentals of selling:

1) Know the company: A salesperson should remember that they are the face of the company and must always be able to answer questions regarding the company, policies and procedures, or other queries that prospects may have.
2) Know the product: A salesperson should be knowledgeable about the various aspects of the product as a prospect can have a variety of questions regarding the product throughout the presentation.
3) Know the competitors: It is important for a salesperson to be aware of the strengths and weaknesses of the product as compared to the competition. There is always the possibility that a prospect will be comparing products or have stayed at another vacation ownership property.
4) Know the customer: The discovery process is key to helping the salesperson gather as much information regarding the prospect as possible. This information will help the salesperson overcome objections and offer the right product to match the prospects' needs and wants.
5) Know the selling process: the selling process should be tailored to match the customer's buying process. The salesperson should be able to judge, using discovery questions and trial closes, if the customer is ready to purchase the product (AIF, 2014; Cobos & Templeton, n.d.; Vashisht, 2006).

In addition to the fundamentals of timeshare sales, research has shown that it is important to understand that most timeshare owners are frequent travelers and own vacation real estate at tourism destinations. This means that many of them may have somewhat of an interest in tourism development in the destinations where they own their timeshare (Huang et al., 2008). This makes timeshare owners a special group of tourists who have additional connections with the tourism destination through their timeshares. Having this knowledge, salespersons should be armed with knowledge regarding the local area and foster relationships with local governments and tourism organizations in order to stay informed about the local area (Huang et al., 2008).

References

AIF (2014). *Timeshare industry: Resource manual.*

Cobos, L.M., & Templeton, A. (Forthcoming). Sales practices: Getting over the sales slump. In A. Gregory (Ed.), *Current cases in timeshare*. Washington, DC: ARDA International Foundation.

Huang, C., Pennington-Gray, L., Ko, Y.J., & Thapa, B. (2008). Engaging timeshare owners in tourism destination management: Tourism planning and tourism marketing implications. *Journal of Travel & Tourism Marketing*, *27*(1), 14–30.

Vashisht, K. (2006). *A practical approach to sales management*. New Delhi: Atlantic Publishers & Distributors.

Source: Amanda Templeton and Liza Cobos.

long-term success for a company relies on customer satisfaction and retention. Unlike the previous concepts which prioritize closing the deal on a one-off sale, the marketing concept puts a special focus on establishing and maintaining relationships with their most loyal buyers. To complete these goals, marketing research and segmentation strategies are heavily relied upon.

Additionally, the company has to convince consumers that their offering fulfills the consumer's needs better than any competitor's product. To do this, companies need to have a solid comprehension of the short- and long-term strengths and weaknesses of their competitors. This understanding will allow the company to then establish short-term tactics and long-term strategies to help counter opposition strengths and take advantage of opposition weaknesses. Examples of potential short-term tactics are slight product alterations, changes in production capacity, or a minor price adjustment. All of these changes could also apply to long-term strategic decisions. In addition, long-term strategies may involve introducing new products, phasing out dated products or repositioning the company within a market.

The onset of this concept marked the first time that businesses had a positive, outward-looking, innovative attitude towards sales and growth. Though the original idea for this marketing orientation strategy was originally proposed in the 18th century, it was not widely adopted by businesses until well into the 1950s, when supply permanently remained higher than demand. The saturation of many industries has caused the marketing concept to rapidly evolve and intensify over the last couple of decades. Today, it continues to be the most widely used marketing management concept.

The "societal concept" goes one step beyond the marketing concept and follows the philosophy of utilitarianism. This concept not only fulfills the wants of consumers and ensures a company's financial success, it also considers the long-term effect a product will have on societal welfare. Effective usage of this concept will benefit a company's overall ethical image with customers, shareholders, and the public in general. A debate exists in the marketing field. Does the societal concept deserve its own management orientation, or is it really just an extension of the marketing concept? Most historians agree that its inception was in the 1970s, though it has only really become popular in the last couple of decades as sustainability efforts have emerged.

It is important to understand that the popularity of these marketing management concepts have a distinct linear progression; as economic environments evolve, so does the importance of strategic marketing. Understanding the progression of these concepts will allow you to better understand the overall gradual migration of our economy from the antiquated agrarian system of old, to the experience economy we live in today. This migration will be discussed in length, later on in this chapter. Before that, it is necessary to outline how a company adopts the marketing management concept previously discussed.

Strategic marketing planning process

For a company to effectively utilize marketing management, they must go through a very specific process that helps them develop an identity, analyze their market potential, identify and select their target audiences, formulate a strategy, implement tactics and reflect on their efforts to date.

Strategic context

The first part of the strategic marketing planning process is to create an identity. This will include a corporate vision, which is a road map that suggests their future direction and key initiatives moving forward. It will also include a corporate mission, which tells a company's employees, shareholders, and consumers what the company is and why the company exists. Visions and missions are sometimes used interchangeably but this is incorrect and due to a misunderstanding of their purposes. For example, whereas a vision looks to the future, a mission looks at the here and now. The last part of the strategic context is a list of goals and objectives. Like vision and mission, goals and objectives are also mistakenly used interchangeably. Goals, like vision, speak with emotion about future plans. However, no specifics are given to how these goals are to be achieved. Objectives are written without emotion and should always be measurable. For example:

- Corporate vision: Our vision is to be earth's most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online (Amazon).
- Corporate mission: Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis (Patagonia).

- Corporate goal: We will exponentially increase our market share in the United States.
- Corporate objective: We will increase our US market share by 2% each quarter for the next three years.

Marketing audit

This stage of the strategic marketing planning process is all about analysis. The first analysis to be performed is that of the macro-environment (see Chapter 2). The macro-environment effects all businesses. Some examples of macro-environment factors are inflation rates, political instability, and tax rates. Many companies perform what is known as a PEST analysis during this stage. A PEST analysis looks at all of the outside political, economic, social and technological factors that could benefit or disrupt a business in any way.

Logically, the next step is a micro-environment analysis. The micro environment considers factors like suppliers, customers, employees, shareholders, and competitors. This analysis is equally as important as the macro-environment analysis as a good understanding of these factors will certainly help with strategy development.

The next steps are market and portfolio analyses. A market analysis is also known as an industry analysis. It looks at factors like market growth rates, various distribution channels, industry trends and market size. A portfolio analysis is an inward look at the various products being offered in a company. This analysis is important as it helps determine resource allocation and focal points moving forward. It may be determined that some products need to be discontinued while others should be more actively promoted within the company’s internal portfolio.

The final analysis in the marketing audit stage is a traditional SWOT analysis. SWOT stands for strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are considered to be internally effecting elements in the company while opportunities and threats are all external factors. While SWOT analysis is widely used in the business world, you can actually perform one on yourself. Whether it is for a business or personal, a SWOT analysis may provide great insights that allow you to carve out a previously unidentified niche market to operate in.

Marketing strategy formulation and planning

This stage of the planning process is where marketing strategies are truly formed. First, all marketing options are considered. Then, a market position is established. A market position is the perception a product or company has in the consumer’s mind in relation to the product or company’s competitors. A company’s job is to control and establish the position in the consumer’s mind, rather than letting the consumer or other external forces, like competitors, establish the position instead. This is an absolutely critical step in the entire process because for some industries, once a product has an established position, it could be impossible or at the very least very costly to move to another position. For appropriate position development to take place, marketers need to first figure out who their target markets will be. Segmentation strategies are used to form homogeneous sub groups; members of these groups will have similar behavioral, demographic, benefit, geographic and psychographic characteristics to one another, allowing very specific targeting and subsequently positioning to take place.

Once the company is happy with the product's positioning, they must also consider whether they want a push or pull strategic approach. A push approach means that the company will be promoting their product by "pushing" it on to prospective customers. In a pull approach, interest for a product is generated by using social media or other tactics, and the consumer creates a demand that requires distribution channels to order and carry the product (thus "pulling" it through the necessary sales channels).

Earlier, we discussed a company laying out measurable objectives for the organization as a whole. Now, it is time for quantifiable objectives to be put on the particular marketing plan. The importance of these objectives to be quantifiable cannot be overstated. Being able to measure a marketing strategy's success or failure will be crucial in the evaluation stage.

Implementation

The implementation stage is all about the marketing mix. The marketing mix distinguishes a brand's unique selling points. Over the years, the marketing mix has been simplified into the well-known four Ps (Product, Price, Promotion, and Place). The product stage is clearly defining the competitive advantages and uniqueness of the product or service being provided. Once everyone understands what exactly the product or service "is," the marketers can move on to pricing strategies. Things to consider when pricing a product are profit margins, price elasticity, and supply and demand. Once the price point is set, marketers consider promotional options. The goal of a promotion is to distribute information about the product to the target markets via various forms of media. This media can be radio, television billboards, direct mailing, social media, etc. Ideally, these promotional efforts should be quantifiable so that return on investments can be tracked. Lastly, marketers must choose the best places where they will be able to make their product visible to their targeted consumers. Placing can literally mean the physical locations products will be sold from an entire region to specific store shelves. It can also be an intangible placement, for example where a product appears on a website or its usage in a television show. When you think about the implementation goals of the four Ps, just think about having the right product at the right price at the right place at the right time.

Marketing control

This is the final step in the strategic marketing planning process. In this stage, we evaluate how the implementation of our strategy is being executed. If you remember, we stressed the importance of making objectives quantifiable. One way to monitor and assess the successes and failures of a marketing campaign is to analyze the numbers. Do the resulting numbers surpass, match, or fall short of the objectives laid out in the strategic context and planning stages? Once information is gathered and examined, it is time for the team to return to the beginning of the strategic marketing planning process and start anew, albeit with more data to use this time around.

Special characteristics of tourism and hospitality marketing

Although the aforementioned marketing planning process can be applied to any industry or sector, the tourism and hospitality industry offers some quite distinct characteristics that are worthy of introduction as introduced by Middleton et al. (2009). These are in addition to the generic service characteristics of inseparability, heterogeneity, intangibility and perishability (all of which are discussed in more depth in Chapter 8). First, within most aspects of tourism and hospitality, seasonality and other major variations in demand patterns are evident. For example, many destinations in the Caribbean, South East Asia, and the Mediterranean are heavily seasonal, based on climate, school vacation patterns, and historical agricultural trends and customs. Although numerous strategies exist to counter seasonality, the extent to which many tourist economies generate the bulk of their income in highly-defined time periods remains a challenge for the wider industry. Second, the high infrastructural cost of many products and the high fixed cost nature of so many tourism and hospitality operations continue to prove challenging vis-à-vis revenue generation and cash flow in certain parts of the year. For example, the cost of getting an aircraft in the air varies only slightly irrespective of how many passengers are on board. Likewise, a major theme park provider is obliged to fund the full visitor experience irrespective of the number of guests to their park(s). This combination of high seasonality and high fixed costs provides a challenging operating environment for tourism and hospitality businesses with much emphasis placed on the generation of marginal sales with a high percentage of such sales representing a much welcome revenue gain at no extra cost. Third, the majority of the tourism and hospitality industry is interdependent in that most visitors use several different products and services, with multiple different owners, when consuming their tourism or hospitality product. In very few destinations around the world does one person, organization, or government own all the airlines, hotels, attractions and restaurants that a visitor would frequent as part of their visit experience. This, in part, explains why collaboration is such an important characteristic of the tourism and hospitality industry and why it features so strongly throughout this book.

In addition to the above, Pride (2016) highlighted a series of generic consumer trends with far-reaching implications for the tourism and hospitality industry. Pride's "Yourism" agenda highlights the trend towards accessible and personalized experiences. For example, consumer trends are such that the mass marketing of old no longer works for many in the tourism and hospitality industry as guests, visitors, passengers, or users expect individual or personalized experiences and a degree of tailored authenticity with "one size" most definitely "not fitting all." There also appears to be a general rejection of authority in many countries with the widespread use of social media encouraging and hastening the bypassing of traditional institutions. This has clearly raised the importance of social media as a communication channel although "fake news" and "fake advertising" are now challenges not experienced in the past. Consumers are also becoming more impatient with Pride arguing that many now have an attention span of about 8 seconds. Not only does this have implications for marketing but it also impacts on all aspects of communication and interpretation. With their uploading of opinions, content, and images on social media, people are now "co-creators" of their experience rather than simply consumers. This represents a fundamental shift for those in tourism and hospitality with the experiential dimension a key theme running through this book. When communicating with consumers, there is also the growing issue of "information overload" with so much information now accessible. The vast majority of the market can only cope with a certain amount of communication before it simply becomes too much and a haze of indecision surfaces. Hence, more than ever is there a need for marketers to be precise with the communication of their message and actual channels of communication and distribution. In light of many of the turbulent trends highlighted in Chapter 2, security is an emerging issue whereby many markets now "play safe" with destinations and brands that represent a low security risk. This already is impacting on some longer-haul destinations and destinations in parts of the world where political instability, natural disasters, or terrorist activity are becoming the norm. Finally, in a world dominated by virtual agendas, there is a growing trend toward consumers seeking a degree of social capital or "sense of belonging" in their pattern of consumption of tourism and hospitality products. This is evidenced by the increasing number of people visiting places of significance whether it be as a result of family connection and places of birth, religious sites, or places deemed significant to their self-worth. Tourism and hospitality insights 1.2 below introduces some of the measures implemented by the French Ministry of Tourism in trying to measure and monitor their country's ability to meet and exceed the experiential demands of international visitors to France.

TOURISM AND HOSPITALITY INSIGHTS 1.2

FRENCH MINISTRY OF TOURISM

In an effort to guide strategic direction and enhance their understanding of the visitor experience, the French government established an independent assessment tool in the form of a survey back in 2011. With measurements taken every two years, the French Ministry of Tourism is able to assess the overall degree of hospitality in France at a time of considerable competition both within Europe and beyond. Key competitors to France for leisure travel are Germany, Austria, and Switzerland along with Spain, Italy, Turkey, Greece, and Croatia. The survey is also designed to gather data that facilitates the evaluation of public policies implemented along with the interaction of all key stakeholders. This approach acknowledges and takes into account the holistic and interdependent characteristic of tourism mentioned previously in addition to the recognition of the ever changing demands and dynamics of international visitors. One particular aspect of this research is the analysis of conversation from the "social web" with what tourists are saying on reservation and opinion sites such as TripAdvisor and Booking.com critical in understanding the co-created experiences of visitors. Recent outcomes suggest the intention to recommend and revisit France remains favorable although when compared to the level of service available it remains a particularly expensive destination. In addition, although performing well in the arenas of accommodation, catering and hospitality, public transportation and signage, among others, areas for improvement remain. These include some concerns with regard to shopping, digital services, food value, and the prices of recreational activities. Finally, the survey outcomes suggest higher awareness of the local population to tourism issues will be crucial to the further development of France as a valuable and truly high-experience destination.

Image 1.1

Image source: Pexels.

Source: Alan Fyall, adapted from TCI Research report, Emmanuel Meunier, Monitoring the Visitor Experience: Case study of the French Minister of Tourism.

In an attempt to understand the historical context of the origins of the experience economy, the following section introduces the history of economic stages of development.

The evolution of economies

All economies are continuously evolving. Some are borderline stagnant and take considerable amounts of time to change. Others have advanced rapidly over the last 150 years. Regardless of pace, transformation is certain. Modern economies are in the midst of the “experience” stage, with this stage of marketing development underpinning the very need for this book. This section helps explain historically how so much of the world arrived at the “experience” stage.

History of economic stages

The agrarian economy is the oldest stage of an economy. It is generally considered to be rural in nature and can be dated back several thousands of years to when subsistence agriculture began. Many great ancient civilizations grew and prospered thanks to the agrarian economy. For example, the Romans grew a surplus of grain to sell and trade across much of their empire, while the people of Southeast Asia did the same with rice. This type of economy extracts undifferentiated products and gives little-to-no thought about the needs of its customers. As time moved forward and international partnerships were formed, the farming and selling of many natural commodities became lucrative.

Industrialization is the second stage of economic development. Economies in this stage have moved past agriculture as a primary source of growth, relying on the manufacturing of goods instead. While this form of economy started in the latter part of the 1700s, it really took off post American Civil War (1865). This stage puts an emphasis on the mass production of minimally differentiated goods, lowered costs, and the increased usage of machinery rather than manual labor.

After industrialization, advanced nations transitioned to the service economy. In this stage, the economy focuses much less on the actual production of goods. Instead, services are provided to help consumers acquire and maintain the goods they desire. Product differentiation is highly valued and the customer’s needs are heavily considered. Many of the more advanced economies in the world are in or entering this stage. However, many economists agree that the United States economy has now matured beyond a service economy to what is known as the “experience” economy.

The emergence of the experience economy?

The emergence of the experience economy has reshaped the way that conventional businesses have looked to position themselves in the consumers’ minds. The experience economy views a product/business as a stage and the goal is to create personalized transactions meant to elicit sensations with the goal of being positively memorable. These customized and memorable experiences are intended to build pre-purchase excitement, win a customer over for repeat purchases, and catalyze positive WOM marketing.

Pine and Gilmore write, "An experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event" (1998, p. 98). Pine and Gilmore further developed their definition of the experience economy by creating a chart, known as "The Four Realms of an Experience." The outermost layer of this chart claims that there are four ways for consumers to experience a transaction: passive participation; active participation; absorption; immersion.

Within these characteristics are the four Es. The following helps to narrow down and mesh the previous characteristics into one type of participation (Passive Participation or Active Participation) and one type of connection (Absorption or Immersion): escapist; educational; entertainment; esthetic.

These dimensions will be covered in greater length in Chapter 6 of this book. Ultimately, Pine and Gilmore envision the demise of companies that insist on being bound by their goods and services rather than innovate and evolve themselves into the "Experience" economy. Tourism and hospitality insights 1.3 provides a good example of how one very famous hotel company has in part moved from a service to an experiential orientation.

TOURISM AND HOSPITALITY INSIGHTS 1.3

THE RITZ-CARLTON – FROM SERVICE TO EXPERIENTIAL MARKETING

The Ritz-Carlton Hotel Company, which operates five-star resorts and hotels, has revolutionized the hotel industry by creating luxury in the hotel setting, such as private baths in each guest house, extensive fresh flowers throughout the public areas, and à la carte dining (Ritz-Carlton, 2108). In 1998, the success of the Ritz-Carlton Hotel Company had drawn attention from the industry and the company was purchased by Marriott International, the largest leading lodging company. The Ritz-Carlton Hotel Company is now an independently operated division of Marriott International (Ritz-Carlton, 2108). The Ritz-Carlton brand's properties now have 91 hotels in over 30 countries and territories (Ritz-Carlton, 2108). One reason for their success is the Ritz-Carlton's brand's high prestige in the global market, as it has been recognized by numerous awards, including Malcolm Baldrige National Quality Award by the United States Department of Commerce (Ritz-Carlton, 2018). It is important to note that such a brand could not have been achieved simply from advertising campaigns or creating a brand logo, but from a long-standing commitment to superior customer service from their employees and their corporate culture that regulate brand environment.

The Ritz-Carlton's "Gold standards," which include a credo, motto, three steps of service, and service values, have contributed to the creation of a unique and strong corporate culture, which has led to superior customer service which, in turn, has consequently made their brand so prestigious. These standards describe expected employee attitudes and processes for serving guests and resolving problems as well as detailed grooming, housekeeping, safety, and efficiency standards (Partlow, 1993). As the motto claims, "[they] are Ladies and Gentlemen serving Ladies and Gentlemen (Ritz-Carlton, 2018)." Each employee is expected to serve customers in an elegant and polite way as they are representatives of the company. Furthermore, the Ritz-Carlton's values are reinforced continuously by frequent recognition for momentous achievement and performance appraisals at numerous occasions, such as orientation, training, and certification processes (Partlow, 1993). In addition to these standards, all employees are empowered to do whatever it takes to improve or fix a guest's "experience." For instance, every employee has the right to utilize $2,000 per day per guest in order to go beyond just ordinary customer satisfaction (Ritz-Carlton, 2013). Through this employee empowerment, employees have confidence that the company will always support their decisions and use their natural abilities to create "extraordinary experiences."

As Jeff Hargett, a senior corporate director, argues "Culture helps create the brand, and brand fortifies the culture. When a culture of teamwork, engagement, and purpose exists, the brand will become legendary, thereby validating the culture (Ritz-Carlton, 2014)." Therefore, a company's brand and culture are interdependent. The Ritz-Carlton has been demonstrating this by creating a corporate culture based on strong customer service which has enabled their employees to provide superior customer experiences, which, in turn, has led to the creation of one of the most prestigious hotel brands in the world.

References

Partlow, C.G. (1993). How Ritz-Carlton applies "TQM." *Cornell Hotel & Restaurant Administration Quarterly*, *34*(4), 16.

Ritz-Carlton Hotel Company. (2013, Aug 5). *Blog: The good, the bad and the beautiful of employee empowerment*. Retrieved from http://ritzcarltonleadershipcenter.com/2013/08/440/

Ritz-Carlton Hotel Company. (2014, Dec 8). *Blog: Dear Ritz-Carlton: brand and culture related?*. Retrieved from http://ritzcarltonleadershipcenter.com/2014/12/brand-and-culture/

Ritz-Carlton Hotel Company. (2018). *Awards*. Retrieved from http://www.ritzcarlton.com/en/about/awards

Ritz-Carlton Hotel Company. (2018). *Factsheet*. Retrieved from http://www.ritzcarlton.com/en/about/factsheet

Source: Amanda Templeton.

It should be mentioned that the article in reference was published in the summer of 1998, so let us analyze how far this "new" economy has come. It is surely evident that the authors were correct in predicting that experience-based encounters between business and consumer would greatly increase in the coming years. The next sections will briefly describe how the experience economy works in the tourism and hospitality industry and then illustrate just a couple of these examples for you, in order to help you with your comprehension of this developing phenomenon. Some of the experience driven transactions in the hospitality and tourism field have been made possible through technological advancements while others have been made through collaboration. This exemplifies the interconnectedness between the three themes of this text with Tourism and hospitality insights 1.4 showcasing the future direction of hotel marketing in the "experiential" age.

TOURISM AND HOSPITALITY INSIGHTS 1.4

USER-GENERATED CONTENT: THE FUTURE OF HOTEL MARKETING

With the continued development of social media, customers are increasingly sharing their experiences through user-generated content. Recent trends are showing that social media experts at hotel companies are exploring ways to: 1) influence what guests post on social platforms while on-property; 2) obtain permission to utilize the user-generated content on hotel websites and social media platforms (Hess, 2018). Hotels are finding that guest posts share a more genuine story and can often showcase what the hotel has to offer more successfully than a marketing department.

Hyatt has been at the forefront of utilizing social media, mobile sites, and apps as a means in which to interact with guests. In 2014, Hyatt launched the Hyatt "Control Room" a dedicated social services team created to connect with guests (Dua, 2014). In an interview with *SocialMediaToday*, the Director of Social Strategy and Activation for Hyatt noted that:

> As a brand, we're doing a lot on Twitter and Instagram. We're also testing Snapchat to see if it's a good fit for the brand's target customers. And while it may seem a little out of place, Snapchat actually makes perfect sense. . .We've been watching the growth and evolution of Snapchat over the last couple of years with interest. We've been looking for an opportunity to test it, and with the Hyatt Regency brand's focus on making it good not to be home, we felt that the geo-filter was a great fit here. With these, we're able to take an existing social behavior – snapping while at a Hyatt Regency hotel – and make it that little bit better thanks to the different geo-filters for each day of the week that our guests can overlay on their images.
>
> (Hutchinson, 2015, n.p.)

For Hyatt, instead of relying on purely promotional material, they have found a way to harness social media to bring user-generated content to the forefront of its marketing tactics and have created a dedicated social media outlet at social.hyatt.com (Hess, 2018; Samuely, n.d). The site boasts over 89,000 Instagram images uploaded by guests staying at one of any of Hyatt's many hotels around the world (Samuely, n.d). Additionally, travelers can browse the site to seek inspiration for their next trip by using the experiential filters. Hyatt guests are encouraged to upload snapshots of their experiences via the #InaHyattWorld hashtag. This builds onto the "World of Hyatt" integrated marketing campaign that utilizes Snapchat glasses to record Hyatt employee perspectives on social media (Kirkpatrick, 2017).

The Director of Social Media for Hyatt commented that "Creating memorable experiences will create UGC; bringing a location into a property will create UGC; caring for our guests will also do the trick. After all, UGC shouldn't just be limited to a sunset. Providing someone a special meal or a phone charger, or fixing something that had the potential to go wrong will often create a moment where a guest will take to social channels to talk about the experience" (Hess, 2018, np).

References

Dua, T. (2014, July 11). Inside Hyatt's revamped social media strategy. *DIGIDAY*. Retrieved from https://digiday.com/marketing/hyatt-social-media-strategy/

Hess, D. (2018, May 18). Hotels finding ways to influence, share guests' photos. *Hotel News Now*. Retrieved from http://www.hotelnewsnow.com/Articles/286451/Hotels-finding-ways-to-influence-share-guests-photos

Hutchinson, A. (2015, Dec 31). Big brand theory: Hyatt Regency uses social to evolve the customer experience. *Social Media Today*. Retrieved from https://www.socialmediatoday.com/special-columns/big-brand-theory-hyatt-regency-uses-social-evolve-customer-experience

Kirkpatrick, D. (2017, Feb 24). How Hyatt's new "World of Hyatt" platform uses Snapchat spectacles. *Marketingdive*. Retrieved from https://www.marketingdive.com/news/how-hyatts-new-world-of-hyatt-platform-uses-snapchat-spectacles/436814/

Samuely, A. (n.d.). Hyatt unlocks branded social media hub to inspire undecided travelers. *Mobile Marketer*. Retrieved from https://www.mobilemarketer.com/ex/mobilemarketer/cms/news/social-networks/22394.html

Shallcross, J. (2016, March 3). Unbound is Hyatt's hotel group for the social media age. *Conde Naste Traveler*. Retrieved from https://www.cntraveler.com/stories/2016-03-03/unbound-hyatt-hotel-group-for-social-media-age

Source: Amanda Templeton.

Conclusion

This introductory chapter set out to clarify the meaning of marketing and outline the origins of the four traditional marketing concepts, outline the strategic marketing planning process, and highlight those characteristics that make the marketing of tourism and hospitality products and services so challenging. The examples adopted throughout this chapter highlight the changing face of marketing in tourism and hospitality and underscore how this industry is at the forefront of the experience economy. Patterns of consumption and visitation are changing fast with much of the change fueled by the Internet and social media. So much so that the major case study at the end of this chapter on SEO demonstrates how this, more than many other more traditional approaches to marketing, has become an essential strategy for all tourism and hospitality businesses irrespective of their size, location, and ownership. For most tourism and hospitality businesses today, a strong web presence is everything with SEO to leverage consumer engagement, commitment. and loyalty.

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

YOUTUBE LINKS

"Welcome to the experience economy – Joe Pine"

https://www.youtube.com/watch?v=TOjUxGqh7aA

Summary: A thoughtful and easy to digest introduction to the experience economy by one of the authors of the seminal text.

"Customer service versus customer experience"

https://www.youtube.com/watch?v=bL_D-qyva0c

Summary: A really useful clarification and overview of the differences between customer service and customer experience.

"Examples of experiential marketing – Disha Kanchan"

https://www.youtube.com/watch?v=qZhbmlbfG5U

Summary: An eclectic mix of real-life examples of experiential marketing that help explain the key differences with previous iterations of the marketing concept.

"The reason they won't do it is always the reason they should do it"

URL: https://youtu.be/zb1u9vgbLBE

Summary: Shari Levitin discusses handling objections in the sales process of selling timeshare.

"Tourism Training Live: SEO strategies and best practices for travel brands"

URL: https://youtu.be/UoKJSNm39gw

Summary: Tourism Training Live session for travel and tourism industry professionals looking to make SEO a meaningful part of content marketing efforts; it shares practical steps and techniques that can be implemented to make SEO a key part of the marketing success for a tourism business.

REFERENCES, FURTHER READING, AND RELATED WEBSITES

References

Fiore, A.M., Jeoung, M., & Oh, H. (2007). Measuring experience economy concepts: Tourism applications. *Journal of Travel Research*, *46*(2), 119–132.

Gilmore, J.H., & Pine, B.J. (1998). Welcome to the experience economy. *Harvard Business Review*. Retrieved from https://hbr.org/1998/07/welcome-to-the-experience-economy

Kotler, P., & Keller, K. (2016). *A framework for marketing management* (6th ed.). Uttar Pradesh. Pearson India Education Services

Meunier, E. (2016). *Monitoring the visitor experience: Case ctudy – French Ministry of Tourism*. Paris: TCI Research.

Middleton, V.T.C., Fyall, A., Morgan, M., & Ranchhod, A. (2009). *Marketing in travel and tourism* (4th ed.). Oxford: Elsevier Butterworth Heinemann.

Pride, R. (2016). Yourism – accessible, personalized experiences. Keynote presentation at the University of Surrey, June 2016.

Ritchie, J.R.B. (July, 1984). Assessing the impact of hallmark events: Conceptual and research issues. *Journal of Travel Research*, *23*, 2–11.

Su, J. (June, 2017). You need to stop relying on your great services as your core competitive differentiator. *Neural Impact*. Retrieved from http://neuralimpact.ca/blog/need-stop-relying-great-services-core-competitive-differentiator/

Further reading

Atwal, G., & Williams, A. (2009). Luxury brand marketing–the experience is everything! *Journal of Brand Management*, *16*(5–6), 338–346.

Baker, M.A., & Magnini, V.P. (2016). The evolution of services marketing, hospitality marketing and building the constituency model for hospitality marketing. *International Journal of Contemporary Hospitality Management*, *28*(8), 1510–1534.

Gentile, C., Spiller, N., & Noci, G. (2007). How to sustain the customer experience: An overview of experience components that co-create value with the customer. *European Management Journal*, *25*(5), 395–410.

Jiang, Y., Ramkissoon, H., & Mavondo, F. (2016). Destination marketing and visitor experiences: The development of a conceptual framework. *Journal of Hospitality Marketing & Management*, *25*(6), 653–675.

Mossberg, L. (2007). A marketing approach to the tourist experience. *Scandinavian Journal of Hospitality and Tourism*, *7*(1), 59–74.

Pan, B., MacLaurin, T., & Crotts, J.C. (2007). Travel blogs and the implications for destination marketing. *Journal of Travel Research*, *46*(1), 35–45.

Tynan, C., & McKechnie, S. (2009). Experience marketing: A review and reassessment. *Journal of Marketing Management*, *25*(5–6), 501–517.

Williams, A. (2006). Tourism and hospitality marketing: Fantasy, feeling and fun. *International Journal of Contemporary Hospitality Management*, *18*(6), 482–495.

Websites

American Marketing Association
https://www.ama.org/

The Data and Marketing Association
https://thedma.org/

The Chartered Institute of Marketing
https://www.cim.co.uk/

International Marketing Association
https://imacorporate.com/

Internet Marketing Association
https://imanetwork.org/

Social Media Association
http://socialmediaassoc.com/#

This page intentionally left blank

MAJOR CASE STUDY

SEARCH ENGINE OPTIMIZATION

Gross bookings in the global travel industry reached $1.6 trillion in 2017, making it one of the largest and fastest growing sectors in the world (Hallam, 2018). Noticeable changes in how customers are searching for and booking their travel arrangements are being seen from non-branded searches to mobile searches with all areas of tourism and hospitality able to benefit from SEO campaigns.

SEO is a term used to describe a range of marketing tactics implemented to try and influence the visibility of webpages in the "organic listings" of a search engine's results page (Rowett, 2017). Phrased alternatively, it is the practice of setting up a website to gain better visibility on search engines like Google, Bing, and Yahoo (jenny, 2016). The goal for businesses is to put their website in one of the top spots on Google and/or other popular search engines.

When initiating SEO tactics, it should result in providing webpages with the best opportunity to rank highly in search engine results, and therefore give the business a higher percentage of qualified "click throughs" or "leads" to the website, with the hope that they have a higher percentage of sales conversion than competitor businesses (Rowett, 2017).

Within any industry, SEO should be a main component of the marketing plan, but for the tourism and hospitality industry it's absolutely essential (Rowett, 2017; Santos, n.d.). According to various reports, online SEO is the most popular online planning source for travelers.

Google's 2014 Traveler's Road to Decision report

- 60% of leisure travelers reported that search engines are the most popular online planning source and the second most popular source for business travelers (55%);
- 57% of leisure travelers always turn to SEO first as the starting point for the travel shopping and booking process (Rowett, 2017).

Stat counter global statistics

- 2016–2017: Google was most widely used search engine with over 90% of market share.

Additional stats

- 95% of natural clicks come from page one of Google, Yahoo, and Bing.
- 3% of clicks came from page two, and 2% came from page three.
- One of five Google searches are related to location.
- The number one spot on Google search results gets double the traffic as the number two spot, and the second through fifth spots combined.
- 41% of searches unsuccessful after the first page choose to refine their keyword search phrase or their chosen search engine.
- 80% of completely unsuccessful searches are followed with keyword refinement.

Source: Santos, n.d.

The Internet has provided consumers with access to a plethora of choices, deals, flexible planning, information, and media all provided with the intention to immerse them in the destination before they arrive. This quick, simple, and convenient travel planning has revolutionized the industry by transforming tourism and hospitality into one of the most highly competitive niches, requiring specialized, industry-specific optimization strategies (Santos, n.d.). To thrive and survive, businesses must gain an understanding of what consumers are searching for and learn how they can leverage Internet search technology to maximize not only traffic to their site, but also to the destination itself (Santos, n.d.).

When it comes to SEO, it is important to know that it is not enough to rely solely on keyword-rich text. On-page content is important; however there are a multitude of other, back-end, factors to consider, including title tags, meta tags, image optimization, internal link structure, multilingualism, and foreign search terms (Santos, n.d.).

SEO tips:

(1) Submit the site to Google Search Console.
(2) Prove that the https site is secure.
(3) Use Google Analytics to measure success.
(4) Optimize meta descriptions and titles.
(5) Value intent over exact matches.
(6) Write clear, succinct headlines.
(7) Stay away from keyword stuffing.
(8) Stick to the basics on the homepage.
(9) Focus on the quality of pages, not quantity.
(10) Think critically about user experience.
(11) Utilize alt text for all site’s images.
(12) Make sure it is mobile ready.

Off-site SEO tips:

(13) Create a solid Google My Business account.
(14) Network with influences in the industry.
(15) Keep backlinks clean.

Source: Jenny, 2016

ONLINE
MARKETING
S.E.O
Content
Lists
Links
Titles
Blogs
VDO
Sales

Image 1.2

Source: Pexels

Recently, it has been shown that presence, or lack thereof, on social media can impact Google rankings. Additionally, Google introduced a feature for businesses called "Google Place Pages," that can dramatically affect search results. Google Place Pages can be claimed by businesses, allowing the business to verify and supplement their business information, including products, photos, videos, hours of operation and more. Not only do the Place Pages take up a major portion of the first page, but they also pull in positive and negative reviews from a variety of sources (Santos, n.d.). Place Pages were designed by Google to help consumers make informed decisions where to go, making it more important than ever before for businesses to maximize their online presence (Santos, n.d.).

Hallam (2018) notes that travel SEO is highly dependent on high-quality link building, as consumers often look for information on neutral websites such as "The Telegraph Travel," "Condé Nast Traveler," and "Lonely Planet," to name a few.

Thomson holiday rebrand by TUI

An example of the critical importance of SEO can be seen with TUI's rebrand of Thomson Holiday. In addition to an extensive, and expensive, traditional marketing campaign, TUI has cemented partnerships with YouTube, Snapchat, Spotify, The Mail Online, and TripAdvisor (Faull, 2017). The biggest challenge for the rebrand is to push bookings from Thomson.co.uk to TUI.co.uk as over 60% of bookings are digital and over 50% of TUI's web traffic results from SEO (Faull, 2017). TUI began the SEO campaign in 2017 with CRM campaigns, in-flight magazines, retail and online communications and, importantly, launching TUI.co.uk as a content hub. In an interview, a Marketing Director for TUI noted that "Protecting the huge SEO equity from the old Thomson brand is a mighty challenge, therefore an extensive plan across all platforms to maintain traffic to the new TUI website has been put in place" (Faull, 2017, n.p.).

References

Faull, J. (2017, Oct 18). TUI cements Thomson rebrand with biggest ever marketing push but SEO now the multi-million pound challenge. *THEDRUM*. Retrieved from http://www.thedrum.com/news/2017/10/18/TUI-cements-thomson-rebrand-with-biggest-ever-marketing-push-seo-now-the-multi

Hallam, S. (2018, Jan 22). The importance of SEO in the travel industry. *The Hallam blog*. Retrieved from https://www.hallaminternet.com/travel-seo-importance-seo-travel-industry/

Jenny. (2016, March 23). 15 essential SEO tips for tourism businesses. *Blog*. Retrieved from https://fareharbor.com/blog/2016/03/seo-tips-for-tourism-businesses/

Rowett, P. (2017, March 9). SEO 101: What is search engine opimisation + why it's important for tourism brands. *Tourism eSchool*. Retrieved from https://tourismeschool.com/what-is-search-engine-optimisation-tourism-brands/

Santos, S. (n.d.). Why the tourism industry needs a special approach to SEO. *stikky media*. Retrieved from http://www.stikkymedia.com/blog/why-tourism-industry-needs-special-approach-seo

Source: Amanda Templeton

Major case questions

1. Why is SEO so important in the tourism industry?
2. Why is showing up on the first two pages of Google critical for tourism businesses?
3. Search TUI and determine how successful the SEO and rebranding campaigns have been since the initial launch.

2 The need for change

The dynamics of the global tourism and hospitality environment

Learning outcomes

By the end of this chapter, students will:

- Understand the dynamic external environment within which the tourism and hospitality industry operates
- Understand the fast-changing internal environment within which the tourism and hospitality industry operates
- Be cognizant of those particular external and internal forces which are driving the need for change across the tourism and hospitality industry
- Be introduced to a number of tourism and hospitality case study insights that explain how particular facets of the industry are responding to, or even pre-empting, these external and internal forces for change.

Key terms

external environment, internal environment, forces for change, tourism and hospitality industry

Introduction

The wider external environment impacts all forms of life with those forces at play shaping the way we live, work, and play. Often referred to as the "macro environment," the manner in which wider political and legal, economic, socio-cultural, environmental and technological factors are predicted, understood, managed and planned for, will significantly impact the future success, or otherwise, of the tourism and hospitality industry. With it widely considered to be the world's largest industry, the need to understand what external forces exist and how best to navigate the challenges and opportunities each offer is paramount.

Less than a decade ago, Middleton et al. (2009, p. xiii) advanced a number of underlying external forces for change predicted to impact on the future of the marketing of tourism and hospitality. It is interesting to note that the majority of these forces have stood the test of time in that they remain critical in shaping the future direction of both tourism and hospitality. The external forces introduced include the:

- Growing impact of globalization in the demand for and supply of goods and services driven in part by the continuous and growing flow of capital, people, business, and information across borders;
- Continued, and exponential, growth of the Internet since its emergence in the field of travel in the mid-1990s and the more recent social media revolution, Web 2.0, and the omnipresence of user-generated content;
- Continuous income growth in most developing countries with a parallel growth in the sophistication of consumer demand;
- Economic emergence of China and India, among others, with considerable potential for the re-shaping of trends in tourism and hospitality and a global shift to a more culturally-diverse traveling and consuming population;
- Impact of international terrorism and global instability and its negative impact on international tourism in certain parts of the world;
- Consequences of global warming and climate change caused by the expansion in the world's population, continuous industrial growth and related carbon emission and the use of fossil fuels.

Although only a few years have passed since the above publication, the world has experienced some radical events in a compressed period of time that collectively have conspired to create an even more turbulent external environment for tourism and hospitality to prosper. For example:

- The Financial Crisis of 2007, caused initially by problems in the US housing market, had a devastating ripple effect throughout the world's economies with many countries to this day struggling to come to terms with both the suddenness and scale of the crisis. Although not the only factor contributing to its problems, the prolonged economic recession in many European countries including Spain, the Republic of Ireland, Portugal, and perhaps most seriously Greece, can all be traced back to the financial problems originating in the US at the end of 2007.
- The Arab Spring, which began in Tunisia in December 2010, comprised of a series of democratic uprisings in many countries across North Africa and the Middle East whereby the populations at large rose up against what were considered to be highly corrupt and tyrannical regimes. These uprisings have not delivered peace in any country to date with sustained violence and political instability the sad outcome across many countries with the tourism economies of Tunisia and Egypt, among others, damaged as a consequence.
- Turmoil in Eastern Europe, driven in part by rising nationalism, has seen part of the Ukraine annexed forcibly by forces loyal to the Russian Federation with opposing views and loyalties in the Syrian crisis leading to Turkey and the Russian Federation terminating diplomatic relations.

- The emergence of the "sharing economy" (as introduced in Chapter 1), most notably through tourism and hospitality brands such as Uber and Airbnb, has changed the rules of competitive engagement in many sectors whereby existing players, and especially corporate brands, are being bypassed entirely with transactions and experiences facilitated by mobile technologies and apps. Although popular with consumers, this force for change has been met with fierce resistance in many markets, most notably in Europe.
- The emergence of new pandemics around the world such as Ebola and Zika have caused panic among mostly poor countries where a combination of poverty, poor sanitation, and a polluted environment have resulted in many deaths, deformities, and widespread panic. Each has had a direct impact on global travel with the Zika virus affecting many tourist resorts in South and Central America, the Caribbean and the US.
- The problem of income inequality and inequality of opportunity for many in the developed world is a problem that persists with the Financial Crisis of 2007 contributing much to what now is a deep-rooted economic and social problem which, in turn, hinders the wider population's propensity to partake in tourism and hospitality-related activity. It can also be discussed in the same breath as changing socio-economic and health-related trends which include greater levels of obesity and shortages of affordable housing.

Before discussing many of the above external forces in more depth, von Bergner & Lohmann (2014) outline five key forces that bring together many of those forces introduced. The first, *globalization*, relates to the tourism and hospitality industries' abilities to cope with a changing market situation in a globalized, dynamically-connected world. The many global travel, tourism, and hospitality brands that exist maybe global in their reach but each, depending on what region they are located in the world, are likely to be impacted differently with the same external force serving as an opportunity for one while at the same time serving as a negative for another. *Contribution and effects* represent the second force with the younger generation in particular demonstrating a much deeper awareness of tourism's influence on nature, society, and the economy at large with them also being far more receptive generally as to what is going on than previous generations. Closely related is the third force, that of *balance* whereby the basic principles of sustainability and a greater awareness of the environment are evident in much more of the population than was previously the case with the need to protect and conserve destination's core values being viewed as a priority over old-style development at all costs. The fourth force, that of *adaptability*, relates to the ability of both tourism and hospitality adapting to and surviving in a changing climate while the fifth and final force of *self-control* relates to the ability of those managing tourism and hospitality assets to manage them with respect to market conditions. Although true of all of these five forces, this latter force necessitates the need for strategic planning and professional management across the industry.

Although the above forces impact all industries from pharmaceuticals to automotive and from construction to financial services, tourism and hospitality demonstrate a number of core characteristics that make them particularly susceptible to forces in the wider external environment in that they:

- Are indicative of the service sector with intangibility, inseparability, heterogeneity and perishability with a more recent orientation toward the "experience economy" as introduced in Chapter 1;
- Frequently demonstrate high seasonality and variable patterns of demand;
- Exhibit high fixed costs of operation along with a fixed (perishable) capacity at a certain point in time;
- Demonstrate high degrees of interdependence which, in turn drives the collaborative dynamics of so much tourism and hospitality marketing;
- Are highly variable due to the myriad of factors, including the weather and labor, that are instrumental in terms of their delivery;
- Rely heavily on discretionary income with both, to varying degrees, representing luxury rather than necessity forms of consumption;
- Are equally impacted by exogenous (external) and/or endogenous (inside) forces for change with all forces predictably unpredictable in their breadth, depth, and longevity of impact.

Interestingly, and despite the many aforementioned problems in the world, the volume and value of international tourism continue to grow exponentially as evidenced in Tourism and hospitality insights 1. Much of this can be attributed to tourism in particular migrating from an elite activity to one for the masses, with the sheer volume of international tourism alone necessitating the need to address such forces for change with a renewed vigor and professionalism.

TOURISM AND HOSPITALITY INSIGHTS 2.1

UNWTO HIGHLIGHTS 2017

Nations who invest in tourism are starting to witness socio-economic progress in the areas of job creation, enterprises, export revenues, and the development of new infrastructures. It thus comes as no surprise that international tourism has grown from a mere 25 million travelers in 1950 to over 1,235 billion in 2016. Eager to catch up for lost time, new and emerging markets are forecast to grow at 4.4%, double that expected among more established markets. Europe continues to dominate international travel numbers with it containing 49.9% of all international arrivals and 36.7% of total receipts. Although much of this can be attributed to the proximity of borders, European nations see much higher arrival rates than actual international receipts as most tourists travel from nation-to-nation, visiting multiple cultural sites along the way.

In 2016, France was the number one arrival destination. Of its 82.6 million international arrivals, 12.8 million (approximately 15% of them) were British. Interestingly, although recording the highest number of arrivals, this is not the case with revenue with camping and short-term trips contributing to lowering receipts. The US was the second most visited international destination in 2016 with it generating more revenue than the next three destinations combined. Recently, the US tourism industry has specifically tapped into international tourists seeking consumer goods at highly favorable prices when compared to their own countries.

Of the emerging markets in 2016, Mexico was a top arrival nation with Macau, Thailand, and Hong Kong attracting significant receipts. Mexico's market segmentation, combined with a three million-passenger cruise industry, has helped turn it into a top international destination. Macau, on the other hand, is a small Chinese SAR whose industry is focused primarily on gaming. Macau's 2016 international receipts exceeded $29 billion with only 15.7 million international visitors (Kaiman, 2015). While Hong Kong has benefited from China's outbound tourism boom, Thailand has relied on a combination of Chinese and East Asian tourists to maintain its tourism industry that today accounts for over 20% of its total GDP (WTTC, 2017).

European and Asian nations are first and second in arrivals and receipts, while collectively the Americas are third in both categories. Conversely, the trends suggest that by 2030 emerging destinations will see more rapid growth than the more developed ones. The Middle East, Africa, and Eastern Europe are newly emerging markets whose growth will depend on a number of factors related to progress, conflict resolution, and cultural developments.

References

Kaiman, J. (2015, Jan 28). Macau records higher tourism receipts than UK or Italy. Retrieved from http://www.theguardian.com/world/2015/jan/28/macau-records-higher-tourism-receipts-uk-italy

WTTC. (2017). Travel and tourism: Economic impact of Thailand 2017. Retrieved from https://www.wttc.org/-/media/files/reports/economic-impact-research/countries-2017/thailand2017.pdf

Source: UNWTO (2017), Alan Fyall, James Wollner and Ryuichi Karakawa.

As well as those forces in the external environment, the tourism and hospitality industries also operate within a myriad of internal forces that impact on the way business is conducted. Before examining these internal forces, however, the section below breaks down the external forces for change into five key, and well referred to, headings, namely: political and legal; economic; environmental; socio-cultural; and, technological, with Figure 2.1 providing a broad overview of some of those factors within each heading.

Political and legal factors

- National and regional policy
- Employment law
- Environmental legislation
- Foreign trade agreements
- Political and governmental stability
- War and terrorism

Socio-cultural factors

- Age profiles
- Social mobility
- Population growth
- Lifestyle trends and changes
- Family structures
- Educational patterns and levels of achievement
- Income distribution
- Social class
- Attitudes and values
- Consumerism
- Immigration and emigration rates
- Work-life balance
- Nationalism and regionalism

Technological factors

- Technological developments (hardware and software)
- New technology applications
- Internet and e-technologies
- Government and research
- Computer reservation systems
- Development cycles
- Production technology

Economic factors

- Monetary and fiscal policy
- Interest and inflation rates
- Consumer price index
- Commodity prices (i.e., oil)
- Unemployment and labor force issues
- GDP and GNP growth rates
- Economic and business cycles
- Stock markets
- Exchange rates and purchasing power parity
- Taxation rates
- Unemployment levels
- Credit policies and availability

Environmental factors

- Climate change
- Greenhouse gas emissions
- Rising sea levels
- Safety, security, and risk minimization
- Waste disposal and recycling
- Protection of the natural and cultural environments

Figure 2.1 **Factors in the external macro environment**

Source: Adapted from Fyall and Garrod (2005).

The external environment

Political and legal

Although at first hand, students of tourism and hospitality marketing do not always see the relevance of politics in their studies, politics, political boundaries and political personalities and decisions are critical in shaping the wider macro environment. All destinations, be it at the national, regional, or local level, are accountable to political administrations irrespective of their size, reach, and brand influence with the various components of the tourism system such as hotels, restaurants, transport operators, and attractions all subject to the laws and taxation policies of their governing administration. For example, in Orlando Florida, the Walt Disney Co. and Universal Studios operate some of the largest, most successful and most profitable theme parks in the world. As such they both contribute many $ millions in taxation revenue to the City of Orlando and to Orange County which normally are in excess of $200 million in taxation receipts from all the tourism and hospitality operators within its boundaries per annum! With no state income tax, the millions and millions of visitors to the State of Florida contribute approximately 50% of all tax receipts in Florida through a combination of tourism-specific taxes and county-determined sales taxes; a political decision at the State level which seems to appease the residents of Florida for hosting so many visitors on an annual basis.

At a more national level, political decisions are critical in managing a balance between facilitating the ease with which international visitors can enter a country while at the same time protecting its borders and controlling immigration. Although an issue for many countries, the plight of the mainly Syrian refugees in the summer of 2015 trying to enter the European Union via Greece caused shock and widespread outrage across the world. Although shocking on a humanitarian level, many of the Greek islands are economically-reliant on tourism and the free movement of people across Europe's Schengen Area with the latter, in particular, under threat due to the vast numbers of refugees involved.

The free movement of people across much of Europe contributes strongly to France's leading position as the world's most visited destination by international visitors while the decision to re-instate national frontiers by Denmark and Sweden to curtail the flow of refugees may inadvertently negatively impact their respective numbers of incoming tourists.

Growing nationalism in many parts of the world, but especially in Europe, also offers a myriad of positive and negative outcomes with respect to tourism. For example, Scotland in the UK, Catalonia in Spain, and the island of Corsica in France are all seeking political independence for a variety of reasons. In the context of tourism, benefits may include a distinct cultural identity for each, freedom to "go it alone" in a marketing and branding sense, and the ability to break away from dominant other destinations in their "old" countries. As mentioned previously, the Arab Spring was, in part, a reaction to political systems with severe consequences for the future tourist appeal of destinations such as Tunisia and Egypt. Political stability is a crucial ingredient for tourism success with the ease of product "substitutability" a particular feature of commodity-driven (i.e. low price) destinations. For example, tourism to the Mediterranean region remains hugely popular for northern Europeans but rather than head east to the likes of Turkey, Egypt, Cyprus, and Tunisia the mass market substitutes the "east" for the "west" with Spain and Portugal benefiting considerably with their perceived safety a major draw to tourists seeking cheap sun, sand, and sea. Although global terrorism, wars, and political instability are not caused by political factors alone, clearly, they are a contributory factor with the Russian embargo on its citizens from visiting Turkey for purposes of business and leisure causing widespread disruption to the economic viability of many of its coastal resorts.

One area where political decision making continues to be a positive force for change is with climate change and the protocols, legislation, and policies being implemented to encourage adaptation and mitigation across the tourism and hospitality industries. Intergovernmental bodies such as the United Nations Framework Convention on Climate Change (UNFCCC) and the Intergovernmental Panel on Climate Change (IPCC) are leading the global initiatives on climate change with the United Nations Climate Change Conference held in Paris in December 2015.

At a more local level, political decisions are integral to a myriad of tourism and hospitality organizations with regard to zoning, environmental health, licensing agreements, legalization of gambling and casinos, local labor laws, management of so-called "public goods" such as beaches, parks and other natural environments, local micro-taxes (often levied via parking charges) and decisions pertaining to the organization of events and festivals, parades and local markets (i.e. food fairs, farmers' markets and beer festivals). On a slightly larger scale, many airports are heavily impacted by political decisions due to their public ownership. One highly successful international airport governed by local municipalities is that of Manchester in the UK which is owned by the ten metropolitan borough councils of Greater Manchester. Manchester Airport is now the busiest airport in the UK outside of the London region catering for over 22 million passengers in 2015.

Economic

Ever since the Financial Crisis of 2007, the state of the world economy has been under constant scrutiny by industry and households with the uncertainty created by the financial markets impacting everyone. This is particularly so in the case of tourism and hospitality as both are reliant on discretionary or disposable income, especially in the context of leisure markets. If anything, the robust growth of international travel numbers as shown in Tourism and hospitality insights 2.1 are testament to the durability of international travel and the degree to which it has become a necessity rather than a luxury for so many people around the world. Perhaps more significant is the unequal distribution of incomes and spending power around the world with economic inequality an issue for policy makers in many countries, both in the developed and developing world.

Although not the only contributory factor, financial uncertainty and insecurity has resulted in many markets postponing longer-term decision making and bookings, replacing them with short-term and ad hoc decisions as to when to eat out, when and where to vacation, and which attractions to frequent. The trend toward shorter-term contracts is also contributing to this trend which, in turn, is making planning and forecasting much more challenging. With many markets looking for economic value in their purchases it is perhaps not surprising that all-inclusive resorts, cruising, and discounted accommodation and lodging have proved so popular over the past few years.

One highly dynamic economic factor is the low price of oil and the turbulence among oil-producing countries in failing to agree on levels of supply. For transportation, operators generally and airlines in particular, low oil costs are a welcome boost as they contribute a large percentage of fixed costs. This is good news for travelers and consumers as transportation, especially for international travel, is a significant component of the overall cost. More worrying is that so few commentators forecast the radical decrease in oil prices with even fewer sure about when prices will start rising again. Once again, this uncertainty contributes to nervousness in markets and ferments a continuous short-term mindset in many markets. This is also true about exchange rate fluctuations with many tourist economies in the Caribbean and Central and South America pegged to the US dollar with implications for both inbound and outbound tourism.

Globalization is also a key economic force for change in that the greater global interdependence of economic and cultural activities is shaping both the supply and demand dimensions of tourism and hospitality. The global reach of many of the corporations and brands that dominate the tourism and hospitality landscape is impressive with many tapping into a global "middle class" with similar needs, wants, and aspirations. Merlin Entertainments is a very good example of the modern "global" tourism and hospitality with its products and brands located in Europe, Asia, North America, and Australasia. Merlin brands include Legoland, Madame Tussaud's, and SeaLife, among others, with the company seeking to offer memorable experiences to guests and families worldwide.

Environmental

Although the environment impacts all industries to varying degrees, its significance to tourism is critical as tourism in so many places is driven by pristine natural environments. Its relationship with tourism is contradictory though in that such pristine environments serve as the catalyst for yet more travel and lust for discovery with new and untouched destinations of appeal to travelers seeking unique and authentic experiences. More than any other environmental concern, however, is that of climate change and its impact on existing and future tourist destinations. Although there remain factions in some countries who still question the legitimacy of the scientific evidence supporting climate change, it is interesting to note that the 1990s were the warmest decade since records began with 1998 being the warmest global year to date. The implications of climate change are already prevalent in a range of destinations with climate change adaptation and mitigation the order of the day. For example, while mountain resorts are experiencing lower snowfalls and shorter seasons, beach and coastal destinations are having to cope with increasing sea levels, beach erosion, and stronger hurricanes and tornadoes. Although mountain resorts can diversify with eco-green mountain trekking a possibility, many coastal destinations have more limited scope for change. Urban centers are not immune from change with many cities experiencing severe (and expensive) flooding, extreme heat, and poor air quality. Geographically, Europe is experiencing warmer wetter winters and warmer drier summers with there gradually being less of a need for northern Europeans to travel to traditional holiday destinations in the south which are becoming too hot to travel to in the traditional summer months. A similar pattern is evident in the United States and the Caribbean with increasing heat indices, beach erosion, the depletion of corals, and increasing health risks all contributing to turbulent forces for change; and all arguably made worse by increased levels of visitation.

On a more positive note, many markets are demonstrating much higher levels of environmental awareness than previous generations with green certification, eco and green brands and transport electrification making considerable headway in many parts of the world. In addition, more sustainable business models are becoming the norm, rather than niche, with walkable cities, cycle-friendly routes, and "slow" travel increasingly proving popular. Partly driven by ignorance and misinformation in the past, new generations are increasingly aware of the true environmental cost of tourism and hospitality and will shape its future by purchasing products, services, and experiences that are consistent with their values and beliefs.

Socio-cultural

Social and cultural changes around the world are continuous with the need to keep abreast, or even ahead, of change increasingly challenging. In some ways, globalization has contributed to forms of social and cultural homogenization where there has been a gradual conformity in many countries in tastes, needs, and expectations. These, in turn, impact on societal values, perceptions, preferences and behaviors, and frequency of purchase and loyalty to brands among others. One notable trend of late is the increasing popularity of healthy tourism and hospitality products and experiences with healthy eating and the desire for a balance of body, mind, and spirit replacing more traditional and more hedonistic modes of consumption. Interestingly, one of the outcomes of greater affluence in many parts of the world has contributed to a more complex life for many with increasing pressures on daily life. The rise of stress-related illnesses such as depression and eating disorders are indications of a disillusionment with wealth and a desire for more basic forms of living with time rather than wealth becoming the new luxury with desires for simpler and richer experiences. Such trends offer much thought for those operating and marketing tourism and hospitality products and experiences with one questioning the future sustainability of the mass market as it exists today.

Perhaps the most dynamic form of social change in the world is that of demographic change with demography representing the study of population and population change. Population size and composition (i.e. how is the population divided up by young and old, married couples and singles, etc.) directly relate to travel trends with the success of cruising over the past two decades largely attributed to the aging of many Western origin markets such as Germany. At the same time, an aging population brings with it challenges, most notably in the area of pensions. For example, in addition to there being fewer young people to pay for the retirement of the elderly, these younger markets will have less disposable income to spend on travel due to the imposition of higher taxes to pay for increasing retirement costs. Interestingly, by 2050 the population of the 49 least developed nations will double to 1.7 billion while the population of the developed world will remain relatively static at 1.2 billion with the global population increasing to 9 billion in 2050 from its current level of around 7 billion.

For some destinations, such as Florida and the Mediterranean, an aging population is being tapped into vis-à-vis "retirement" tourism in the form of second homes and senior living communities where elderly people live together in warm climates with age-related healthcare. A further, and contrasting trend, is that of growing urban populations with urban centers now having more in common with each other than their own countries. This is leading to the increasing popularity of urban tourism and innovations in hospitality such as boutique hotels, innovative foods, and service.

One particular trend of note is that which relates to the increasing age that people decide to marry. With women now omnipresent in the workplace, and both sexes struggling to pay off student debt and purchase homes that now far-outreach their ability to afford, marriage is being considered much later in life with the number of "singles" particularly significant. For example, Yeoman and Butterfield (2011, p. 9) found that the "average solo vacationer is 42 years of age, with an annual household income of $54,000. More than 25% have a professional or managerial occupation, 53% are male and 47% female, and 38% have graduated from university."

Disney is one such company that understands fully the dynamics of changing demographic patterns with its focus on "major life" events in families such as birthdays, marriages, and religious stages of passage underpinning its marketing of "magical moments." Like many other companies, it is also trying to come to terms with Generation Y (Gen Y) and Millennials which now represent the second largest age "cohort" after the "baby boomers" (see Tourism and hospitality insights 2.2).

TOURISM AND HOSPITALITY INSIGHTS 2.2

MILLENNIAL VIEWS OF THE WORLD – SAME WORLD, DIFFERENT VIEWPOINTS

People say that Millennials, or Generation Y, are the most entitled, lazy, selfish, and backward generation to exist; however, that generalization couldn't be more false. Interestingly enough, this generalization includes all Millennials, all over the world. This is the generation who grew up with technology shaping their lives and lived a life centered on human capital and education. As of 2014, the Millennials were the largest and most diverse of all of the generations in the US. Aside from the US population, it's very important to note that the Millennials are the most recent generation to strongly embrace cultural values, suggesting that the populations aren't the same everywhere around the world (Schewe et al., 2014).

Millennials are more connected than any generation before them. They are the drivers of the globalization of this world through their use and adoption of rapid technological growth. Even with this general acceptance and need for technology in each Millennial group across the globe, Schewe et al. (2013) suggest that not all Millennials share the same beliefs. For example, their study found that people who stayed together shared similar beliefs regardless of outside influences. America's Millennials thus had very similar beliefs to those of New Zealand Millennials, while Swedish Millennials demonstrated different beliefs with cultural and collective identities much stronger than any global influences.

Image 2.1

Source: Pexels.

Even with the spread of globalization, European Millennials distinguish themselves from their American counterparts. For example, although both may have very similar expectations in life they demonstrate very different views of the world around them, as exemplified by Corvi et al. (n.d.). American Millennials, in general, don't possess the same appreciation for rich cultural, multi-linguistic, traits of the world like Europeans do because of the relative isolationism that Americans have (Corvi et al., n.d.). European Millennials tend to see the world from a worldly perspective, not simply an "American" perspective.