Case Study on Hospitality brands and integrating the marketing mix

Brands are central to the marketing of multi-unit hospitality businesses. Hospitality companies develop branded concepts, and then blend the elements of the marketing mix to provide target customers with a better brand offer than their competitors see Case study.

Travel Inn – an integrated approach to marketing

In the 1980s, market demand for better quality low-cost accommodation in the UK grew significantly and ravelodge (the original developer of the concept) expanded rapidly. In 1987, Whitbread developed a competitor concept, called Travel Inn, which imitated the market leader in most aspects. Whitbread franchised the new brand to five of their company owned restaurant/pub chains, such as Beefeater. Despite intense competition from Days Inn, Express by Holiday Inn, and Accor, Travel Inn overtook Travelodge after ten years. With a marketing objective 'to be the customer's first choice' in the budget market, the Travel Inn brand team – who had complete control of all elements of the marketing mix – focused on setting and maintaining consistent brand standards. Properties that failed the brand standard's inspections were de-branded. The marketing mix comprised:

- *Product* – low-cost, mid-market accommodation standards, with factory-built standardized bedrooms, which are easy to install on site. Each room is refurbished on a regular cycle depending upon occupancy rates – the objective is that old rooms look as good as new rooms, and the product offer is consistent throughout the chain.
- *Location* – there are three types of location. The core product units, called Travel Inns, are located on major roads and motorways; then there are units located in provincial cities and towns called Travel Inn Metro, and finally units located in London called Travel Inn Capital. All units are located adjacent to Whitbread-owned restaurants and inns.
- *Price* – each brand has one single price structure, and there are no discounts.
- *Distribution* – Travel Inn operates a computerized reservation system, with links from its website and a telesales call center. Although intermediaries like travel agents can book rooms, they do not receive any commission.
- *Marketing communication* – a major investment in branding, with standardized material, a new logo, and a £20 million television and radio advertising campaign over four years, promoted the key message 'a good night's sleep'.
- *Physical evidence* – the external signage was changed to incorporate the new logo, and the internal maintenance program is designed to keep product standards consistent.
- *Process* – Travel Inn is a simple product, with minimum service levels (only reception and housekeeping); customers who want to eat visit the Whitbread restaurant or pub next door. The focus is on easy-to-use operating systems.
- *People* – The manager of the Whitbread unit next door aims to recruit local, friendly staff who know the area, rather than 'professional hotel staff' for the Travel Inn. The company has an 'Investors in People' UK government training award.

Investment in the Travel Inn brand has been rewarded by continued growth. The aim is to double the number of properties every five years. The introduction of a 100 percent satisfaction guarantee for comfortable surroundings, quality rooms and friendly staff was a first in the UK market. Travel Inn's integration of all the elements of the marketing mix provides a consistent marketing offer, which is customer focused and financially successful.

Case Study on Product Development Dilemma at Rocco's

You are employed as the vice president of marketing for Jiffy Foods, Inc., a regional foodservice company that operates 40 restaurants in the fast-food or quick-service segment. The restaurants that Jiffy Foods operates are a single brand called Rocco's. The restaurants offer a menu that is fairly typical of a fast-food chain—burgers, french fries, milk shakes, chicken tenders, and the like. In the last year, Rocco's has started offering prepackaged salads, but it has not done any other menu development. The restaurant's founder recently retired and turned over day-to-day

management of the chain to the company president, James O'Connor. The founder indicated that the menu development and promotions that are done by the national chains "would not be profitable for a 40-unit chain like Rocco's. The national chains have the advertising clout to support promotions for special product offerings. We do not. We should stick to the basics: good food, clean restaurants, and friendly staff. That is what has worked in the past, and it will work in the future."

In the quick-service market, the brand is a small player, competing against the national chain companies such as McDonald's, Burger King, and Wendy's, as well as many other regional chains. During the last 18 months, sales at Rocco's have been flat—there has been no increase in sales, despite the fact that prices were increased 2.5 percent a few months ago. The mix of sales is much the same as it was five years ago. The prepackaged salads that were introduced last year have not sold well. All the salad offerings combined make up only 2 percent of total sales.

Earlier today the company president, James O'Connor, dropped by your office in a very frustrated mood. The two of you had a very intense and animated conversation about how the products and services that Rocco's offered were very traditional and not exciting to the targeted consumers. The national chains are always offering new products and services or modified products and services that are promoted for a limited period of time at a special promotional price. Jim felt that the competitors' promotions were hurting Rocco's and wanted you to do something about it. You were quick to point out that the marketing strategy of "staying the course" had been very successful in the past. In fact, the company founder had used this approach for more than 25 years. Ideas for new products generally came from the managers of the 40 restaurants or the customers who patronized the restaurants. Rocco's did not maintain any product development structure or organization. As the vice president of marketing, your primary responsibilities centered around developing, implementing and evaluating promotional campaigns, selecting sites for new stores, and working with the advertising agency to develop and evaluate campaigns.

As your meeting with the president concluded, he said, "It's Friday. I want you to think over the weekend about the way we develop new products and services. We need to do a better job. Maybe we should think about a differentway of doing things. What we're doing is not producing the results we want, and we need to increase our sales. Let's meet on Monday morning to talk further. I want to see your preliminary plan when we meet on Monday."

Case Study Questions and Issues

1. What should you tell the president when you meet on Monday? What action steps should you recommend? Why?

2. Should Rocco's develop a more structured approach to product development? Why or why not? If yes, what structure would you recommend and why? If no, why not?

3. Are there any specific structures or ideas that you might adapt from what the national chains do?

4. What type of product development strategy should Rocco's use—defensive, imitative, or responsive? Why?

Case Study on Electronic Commerce Strategy at Malone Golf Club

Derek Sprague, general manager of the Malone Golf Club, pondered changes in the marketing and distribution strategy for his club for the upcoming season. The Malone Golf Club had made significant progress in the past three years. The club completed the construction of a new clubhouse, made minor design changes to several of the 36 holes that make up the two golf courses, and upgraded the food and beverage offerings of the club.

The Malone Golf Club operates as a semiprivate club, offering both annual memberships and daily greens fee access. Many of the daily fee players come to the club, located in Malone, New York, from Canada—Montreal is only a 90-minute drive from the club. The club has used a Web site for several years to promote the golf, golf packages, food and beverage service, and

other amenities. The club's approach to the Web site (www.malonegolfclub.com) has been primarily "brochure-ware," that is, it is used as an addition to the printed brochures. Derek is thinking of taking a more aggressive approach to electronic commerce. He is considering a number of options, including accepting reservations online; developing a chat room where members and players could discuss the course, trade stories, and stay in touch with each other; and developing an online push e-mail and promotional strategy for frequent daily fee players and members of the club.

You have been retained as a consultant to the club. Derek has asked you to research the following questions and then meet with him next week. He wants to review your early research before proceeding further or retaining additional consulting assistance.

Case Study Questions and Issues

1. What are the pros and cons of accepting tee time reservations online?
2. Will online reservations impact the staffing of the pro shop?
3. What electronic commerce business model should Malone Golf Club adopt? Should it auction off tee times at low-demand periods or keep the traditional pricing model in place? What are the financial implications of these options?
4. Should the club consider developing its own online reservation system or outsource this to another company that provides the service for other golf clubs?
5. What increase in greens fee and membership revenue will be required to offset the costs of an online reservation system?
6. How will potential online systems integrate with the current tee time system?
7. How might the members and frequent players react to online reservations? Will it be viewed positively or negatively?