Marketing for Hospitality and Tourism

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Acknowledgements

This book is basically the result of twenty-two years of teaching various marketing courses. I am grateful to the Oxford Fajar editorial team who proposed the idea and for their patience and tolerance. My infinite gratitude goes to my mentor, the late Professor Martin Evans, who guided and initiated my interest in writing. A million thanks to all my colleagues and collaborators at the Faculty of Business and Accountancy, University of Malaya for their support and encouragement. My love and honor go to my family, my husband, Dr AM and daughter Nina, for supporting me throughout the sacrifice and hardships. You are the reason why I keep soldiering on. To my parents and brothers, you are my pillars of strength. To my wonderful readers, I hope you have as much fun learning through this book as I have had in writing it. Lastly, this book is dedicated to all my students over the years, for all the sweet memories and fun we had in class.

—Yusniza Kamarulzaman

I would like to include a special note of thanks to Dr Nor’Ain Othman who invited me to contribute to this book. I would like to thank Terence Chiew and the Oxford Fajar team for their guidance. I also extend my gratitude to my co-authors who have worked hard to complete this book. A special thanks to my family for their endless love and support.

—Aslinda Mohd Shahril

I express my sincere appreciation to the many people who provided support, direction, and assistance in completing this book. I am grateful to my students, academic colleagues and friends at the Faculty of Hotel and Tourism Management, Universiti Teknologi MARA (UiTM) for the opportunities to discuss ideas, listen and learn. A very special thank you to my colleagues and co-writers Nor’Ain Othman and Aslinda Mohd Shahril for allowing me to be a part of this team. I am also indebted to my family for their unconditional support and for believing in me: in particular, my beloved husband, Badrunnizam, and kids Muzamil, Mia, and Maqil. Their endless support, love and patience are highly appreciated.

—Mazlina Mahdzar
My utmost gratitude goes to Yusriza Kamarulzaman for inviting me to co-write, and to my colleagues and co-writers, Aslinda Mohd Shahril and Mazlina Mahdzar for their endless support, cooperation and contributions. Thank you to the Oxford Fajar editorial team for their encouragement, understanding and tolerance. To my husband, Dzulkifli Ahmad, my marketing guru: I appreciate the continuous discussions and your opinions and ideas shared throughout the writing process. Lastly, this book is dedicated to the Faculty of Hotel and Tourism Management, Universiti Teknologi MARA (UiTM) for their support and encouragement.

—Nor’Ain Othman

We collectively acknowledge and appreciate the work of the authors cited throughout the text. A special mention to the following authors: Philip Kotler, John Griffith Bowen and James C. Makens (Marketing for Hospitality and Tourism); and Philip Kotler and Gary Armstrong (Principles of Marketing), whose work have been a constant guide and inspiration to us.

We are grateful to all the individuals and companies for granting us the permission to reproduce some of their material for this book, without which this text would have been impossible.
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CHAPTER 1
DEFINING MARKETING FOR HOSPITALITY AND TOURISM

LEARNING OUTCOMES

After studying this chapter, you should be able to
- explain the concept of hospitality and tourism
- describe the importance of hospitality and tourism
- define the marketing concepts and discuss the marketing evolution
- compare and contrast the roles of marketing during the four evolutionary eras
- describe the external environment for marketing in the hospitality and tourism industry

Setting the Scene

The Malaysia Tourism Promotion Board
The Tourist Development Corporation of Malaysia (TDC) was established on 10 August 1972 as an agency under the former Ministry of Trade and Industry by an Act of Parliament. With the inception of the Ministry of Culture, Arts and Tourism on 20 May 1987, TDC was moved to this new ministry, and became the Malaysia Tourism Promotion Board (MTPB) through the Malaysia Tourism Promotion Board Act 1992. Popularly known as Tourism Malaysia, its mission is to market Malaysia as a destination of excellence and to make the tourism industry a major contributor to the socio-economic development of the nation. Its objectives are to: (a) promote Malaysia as an outstanding tourist destination, (b) showcase Malaysia’s unique wonders, attractions and cultures, (c) enhance Malaysia’s market share for meetings, incentives, conventions and exhibitions, (d) increase Malaysia’s tourism revenue by increasing tourist numbers to Malaysia and encouraging them to extend their length of stay, (e) encourage growth of tourism and its related industries in Malaysia, and (f) help develop domestic tourism and promote new investments in the country, as well as provide increased employment opportunities.

Years 2014 and 2015 were a critical period of promotion to meet the tourism targets of 36 million tourists and RM168 billion receipts by year 2020. It was Visit Malaysia Year in 2014, and 2015 was the Malaysia Year of Festivals. Year 2014 recorded a growth in tourist arrivals with 27.4 million, 6.7% better than the previous year. Up until November 2015, Malaysia received 23.1 million arrivals, a figure that reflects the challenging tourism industry. The target for 2016 is 30.5 million tourist arrivals and RM103 billion in tourist receipts. To achieve these targets,
defines tourism as **activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.**

Tourism can be categorized into four parts: international tourism, internal tourism, domestic tourism and national tourism.

a. **International tourism** is divided into six categories:
   (i) **Inbound tourism** which refers to visits to a country by non-residents.
   (ii) **Outbound tourism**, involving residents travelling in another country.
   (iii) **The traveller**, which refers to any person on a trip between two or more countries or between two or more localities within his/her country of usual residence.
   (iv) **International visitors**, which refers to persons who travel for a period not exceeding 12 months to a country other than the one in which they generally reside, not for work purposes.
   (v) **Tourists**, which refer to visitors who stay in the country visited for at least one night or 24 hours.
   (vi) **Same-day visitor** which refers to visitors who do not spend the night in an accommodation in the visited place. For example, a cruise ship passenger spending four hours in a destination/port.

b. **Internal tourism** refers to visits by residents of a country to another country.

c. **Domestic tourism** involves residents of the given country traveling only within this country.

d. **National tourism** is internal tourism plus outbound tourism (the resident tourism market for travel agents and airlines).

**The Importance of Hospitality and Tourism**

The tourism industry contributes to the income of the local economy, which in turn creates employment opportunities in the industry. The operating sectors of the tourism industry are:

a. **The transportation** sector which includes airlines, bus or coach companies and cruise ships.

b. **The accommodation and lodging** sector which includes hotels and resorts.

c. **The food services** sector which involves a broad spectrum of restaurant chains and fast food outlets such as McDonald’s and KFC.

d. **The tourist attractions** sector which includes the national park, theme parks and museums.

e. **The events** sector which includes the Olympic Games, the FIFA World Cup, and Formula One Grand Prix.

f. **The adventure and outdoor recreation** sector which involves activities such as golfing, white water rafting, parasailing, mountaineering, and skiing.
g. The entertainment sector which includes amusement parks, casinos, shopping malls, theatres and musical venues.

h. The travel trade sector which includes retail travel agents and wholesale tour operators.

i. Other sectors include souvenir shops, traditional and local handicrafts, and other supplies bought by tourists.

**Careers in Hospitality and Tourism**

All the operating sectors require manpower to make the various processes work and offer a range of activities and experience to travellers. It ranges from simple jobs to highly sophisticated tasks in order to provide memorable experiences or efficient business travels. Graduates from hospitality courses eventually find jobs at hotels, motels and resorts, or become restaurant managers, food and beverage managers, cruise ship representatives and dozens of other positions. Students with tourism qualifications find jobs at national tourist organizations, state or national parks, museums, or become representatives for major travel companies, travel agents and tour guides.

**1.3 MARKETING CONCEPTS IN HOSPITALITY AND TOURISM**

The Chartered Institute of Marketing (CIM) defines marketing as *the management process responsible for identifying, anticipating, and satisfying customer requirement profitably* (CIM, 2007). The American Marketing Association defines marketing as *activities, set of institutions and processes for creating, communication, delivering and exchanging offerings that have value for customers, clients, partners and the society at large* (AMA, 2007). Kotler, Bowen and Makens (2017) define marketing as *a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others*. Core marketing concepts include needs, wants and demands, products and services, value, satisfaction and quality, exchange, transaction and relationships, and marketing orientation (Figure 1.1).

![Marketing Concepts Diagram](attachment:marketing_concepts_diagram.png)