

# Assessing the Effect of Marketing Mix Strategies on Marketing Performance in the Hospitality Industry, with Case Studies on JW Marriott and the Peninsula

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## ABSTRACT

This research aims to assess the effect of marketing mix strategies on marketing performance in the hospitality industry, concretely in hotels. As the hotel industry becomes more competitive, hotel management become more customer-centric and differentiates themselves from competitors by tailoring their marketing mix strategies to their target customers' needs. A survey was circulated to accumulate primary data from 70 frequent peregrinators. Data was amassed utilizing a questionnaire with a five-point Likert<sup>1</sup> scale and accommodation sampling. It was found that marketing mix variables such as product, price, place, promotion, people, process, and physical evidence have a positive impact on the marketing performance of tourist hotels, while the price of their offering is the most paramount marketing mix element that affects the marketing performance of hotels immensely, with physical evidence and quality of accommodation fortifying the price.

**Keywords:** Marketing mix, strategies, hospitality industry, marketing performance, price, product, place, promotion.

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## INTRODUCTION

According to research, the tourism industry will become increasingly competitive following years and incrementing competition. As a result, consistent promotion with a marketing mix is an authentic and novel approach to achieving tourism objectives. Understanding audience personas and processes requires a precise method that incorporates the concepts of attention, inspiration, desire, action, and allegiance. These personas and processes are critical for tourism and peregrinate organizations.<sup>2</sup>

The hotel industry is a segment of the more astronomically immense hospitality industry and includes a wide range of hotel types. Hotels can be relegated according to the caliber of accommodation they provide, which can range from constrained to full accommodation. Hotels can additionally be relegated according to the accommodations they offer, such as casino hotels, spa hotels, and elongated stay hotels. Because both industries rely heavily on international and domestic peregrinators, the hotel and tourism industries frequently collaborate. Both industries were rigorously impacted in 2020 as a result of the coronavirus (COVID-19) pandemic's rigorous peregrinate disruption and hygiene concerns. However, there has been expeditious ameliorations in both the industries productivity through many developments and incremented competitors.<sup>3</sup>

## MATERIALS AND METHODS

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<sup>1</sup>[https://mwcc.edu/wp-content/uploads/2020/09/Likert-Scale-Response-Options\\_MWCC.pdf](https://mwcc.edu/wp-content/uploads/2020/09/Likert-Scale-Response-Options_MWCC.pdf)

<sup>2</sup> "The Four Ps of the Tourism Industry." Financial Express, 28 Dec. 2020, [www.financialexpress.com/opinion/the-four-ps-of-the-tourism-industry/2158490](http://www.financialexpress.com/opinion/the-four-ps-of-the-tourism-industry/2158490).

<sup>3</sup> "The Four Ps of the Tourism Industry." Financial Express, 28 Dec. 2020, [www.financialexpress.com/opinion/the-four-ps-of-the-tourism-industry/2158490](http://www.financialexpress.com/opinion/the-four-ps-of-the-tourism-industry/2158490).

The prodigious majority of the research relied on secondary data, with articles, official reports, books, research journals and websites accommodating as information and data sources. However, a survey was conducted with 70 people, utilizing a convenient method to understand the clients' perspectives and views on a more personal level, yielding better first-hand results.

Marketing mix strategies, according to Hameed and Zaytoonah (2014)<sup>4</sup>, positively contribute to business performance in terms of both financial and non-financial performance. According to Pomeroy et al. (2010), customer retention and competitiveness are two major outcomes of a company's marketing mix strategies. According to Antoneta et al. (2015)<sup>5</sup>, effective marketing mix strategies of a firm can improve marketing performance. Marketing strategies should be evaluated in terms of their impact on both financial and non-financial performance (Suherly, 2016). While Location, according to Kotler et al. (2013), can provide a competitive advantage for hospitality firms. The following conceptual framework was developed for this study based on the literature reviewed above.<sup>6</sup>

## RESULTS AND DISCUSSION

The research fixated on some background variables of respondents such as hotel star rating, affordability, hospitality industry experience, as well as gender, age, and inculcation level to gain some insights into the sample in terms of this research. Only 68 utilizable questionnaires were returned out of the 70 distributed. Virtually 53% of respondents were males, and all prefer star-rated hotels. Around 86% of respondents are around the age of 40-60 of those polled have higher education credentials such as a diploma, higher national diploma, degree, or other postgraduate degree and earn more than the average income. The secondary research has given much evaluation on each hotel and their marketing mixes to conclude from.

The first component of the marketing mix is the product. Tourism differs from other products due to its broad scope. It includes elements such as lodging, aliment and beverages, conveyance, scenic comeliness, historical consequentiality of the location, geographical state, and spiritual appeal. In authenticity, a customer's perception of a destination grows. It contains both tangible and intangible elements, so not everything is tangible. In tourism, the destination is the 'product.' From a marketing mix standpoint, because tourism is all about the 'tourist' experience, it must be approached differently.<sup>7</sup>

Price: The amount of money a customer pays for a package in the tourism industry is referred to as the price. The experience of the tourist determines whether the package is overpriced, underpriced, or overpriced. The offering, the accommodation standard, the victuals standard, the conveyance standard, recreation, and the aspirations to be met should all influence pricing. Some destinations are considered 'pricey', while others are affordable. In the tourism industry, products are infrequently identical. This is due to the fact that locations vary, as do the people and elements that comprise the experience provided to a traveler. Pricing strategies differ significantly. The majority of tourism businesses predicate their pricing on market conditions. It is resolute by the prices that competitors in a given market charge for commensurable goods and accommodations. To be pellucid, price competitiveness in tourism is driven by product rather than price. It is additionally affected by the seasonality factor, as the tourism industry is seasonal in nature.<sup>8</sup>

Place: The distribution of tourism is arduous. The distribution system connects tourism suppliers and customers. Distribution is concerned with making a product available to the customer. While withal ascertaining that the hotel locations are prime locations so that more clients are attracted, the hotel that is more proximate to their destinations while giving the clients a good view and space to breath in are preferred. Conventionally, the theme and type of infrastructure conventionally decide where the hotels are located, keeping in mind of their target groups. This

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<sup>4</sup> Hameed Abdulnabi Al-Debi, Al-Zaytoonah (2014). The Impact of Services Marketing Mix 7P's In Competitive Advantage to Five Stars Hotel - Case Study Amman, Jordan. The Clute Institute of International Conference, USA. 39-48

<sup>5</sup> Antoneta Njeri., Oscar Ouma Kambona., and Edwin Odhuno., (2015). The relationship between the marketing strategies and competitiveness of four- and five-star hotels. *International Research Journals*, 6(6), 118-131

<sup>6</sup> Sekaran, U., and Roger. B (2013). *Research Methods for Business* (5th edn). New York: John Wiley & Sons, Inc.

<sup>7</sup> Lock, S. "Hotel Industry in the U.S.- Statistics and Facts." *Statista*, 2 Aug. 2022, [www.statista.com/topics/7704/hotel-industry-in-the-us/#dossierKeyfigures](https://www.statista.com/topics/7704/hotel-industry-in-the-us/#dossierKeyfigures).

<sup>8</sup> Bola Olusola Adeleke., (2015). Motivation Of Tourists Through Marketing Strategies of Olumo Rock Tourist Complex. *European Journal of Hospitality and Tourism Research*, 3(2), 39-46 Bart Neuts, João Romão, Eveline van Leeuwen, & Peter Nijkamp. (2013). Describing the Relationships between Tourist Satisfaction and Destination Loyalty in a Segmented and Digitalized Market.

encompasses a wide range of activities undertaken in order to make the product accessible and available to target customers. Tourism is an accommodation product, and customers must be conveyed to sundry destinations (points of sale), so tourist operators, agents, wholesalers, and ITOs (inbound tour operators) are among its distribution channels. Understanding distribution systems, recommended commission rates, and the sundry booking agent roles is critical for tourism distribution channels.<sup>9</sup> At all stages of the hospitality sector's development, the role of the intermediary has been critical. Technology has played a significant role in the growth of the travel industry.<sup>10</sup>

Promotion: In tourism, promotion refers to apprising customers about the ease of a destination, lodging arrangements, pricing, facilities provided, and regalement factors, among other things. During the promotional activity, customers are edified, persuaded, and reminded about the product. Promotions are a consequential component of marketing strategy because they are an excellent way to increment sales and vigilance, categorically during slow months. There's a lot to be verbalized about how good promotion magnetizes customers and increases the hotel's brand value. Brand value is typically linked to allegiant customers who will return and promote the brand to others through word-of-mouth marketing.

**Case Study: JW Marriot.**<sup>11</sup>

Target Market of Marriott International	
Brand	Target Group
Marriott Courtyard	Over-the-road travellers
Ritz-Carlton Hotels	Luxury travellers
Marriott Conference Centers	Corporates that conduct meetings
Marriott ExecuStay	Targeted at people needing month-long accommodations
Marriott Vacation Clubs	Travellers seeking to shop for timeshares

**Product:**

J W Marriott is one of the world's most well-known and prominent luxury hotel chains. The company's main product is hospitality services. It divides its services into three categories: core, actual, and augmented, which include a variety of services such as hotels, hospitality management, resorts, lodgings, and so on. Among all of these, the most revenue is generated from their core product, namely hotels, which ultimately depends on how well they meet the needs and desires of their customers. The hotel as a product is further classified into various brands such as The Ritz-Carlton, St.

<sup>9</sup>Sima Ghaleb Magatef., (2015). The Impact of Tourism Marketing Mix Elements on the Satisfaction of Inbound Tourists to Jordan. International Journal of Business and Social Science, 6(7), 41-58.

<sup>10</sup>Pomering, A., Johnson, L. & Noble, G. (2010). Conceptualising a contemporary marketing mix for sustainable tourism marketing. Proceedings of the 20th Annual Conference of the Council for Australian University Tourism and Hospitality Education (CAUTHE), 1-15.

<sup>11</sup><https://pdfcoffee.com/project-report-on-jw-marriott-pdf-free.html>

Regis, JW Marriott, BULGARI, Le MERIDIEN, Westin, Renaissance hotels, Gaylord hotels, Courtyard hotels, Four points, Spring hill suites, and so on.

Marriott almost follows the same footsteps for its entire brand but they usually follow the same concept when it comes to their location, environment as per the convenience of customers which made it so successful all across the globe.<sup>12</sup>

**Price:**

In terms of pricing management, J W Marriott's hotel prices vary depending on the hotel, the customer, and the location. Marriott resolves hotel prices by keeping the value with quality framework satisfied, and the pricing strategy is maintained in such a way that their brand name is not lost. Hotel prices vary depending on customer demand as well as the cost of promotion and maintenance. Marriott's product prices follow a competitive strategy in that they vary based on Deluxe, Executive, and Suites.

**Place:**

Marriott has a presence in over 130 countries worldwide, and its hotels can be found in a variety of locations throughout the city, such as near the airport, main streets, highways, and the central market. Marriott is always very location specific because they consider it an advantage to attract customers, especially business class, whereas travelers prefer to stay in hotels near highways and airports, tourist people prefer location near the main area or central market where they can have easy accessibility and feasibility when it comes to exploring the place.



*Presence of Marriott International*

**People:**

Marriott emphasizes the importance of serving its guests, which is the brand's main people strategy. They train their employees in minute detail and delegate authority to them in the event of a service failure. They focus on consistently training employees so that they are highly motivated to provide exceptional services that exceed customers' expectations. Marriott is named "Best Place to Work" in 2016, and its employees receive more positive feedback than its highly luxurious services.<sup>13</sup>

**Process:**

Marriott has numerous business processes in place to ensure that customers receive quality customer service, efficient bookings, and a comfortable stay. Marriott operates in a transparent manner, allowing guests to easily operate and book rooms through online booking websites. Check-in begins at 10:00 a.m. and ends at 12:00 p.m.

<sup>12</sup><https://pdfcoffee.com/j-w-marriott-report-on-amp-7ps-in-marketing-pdf-free.html>

<sup>13</sup> Shastri, Aditya. "Detailed Marketing Strategy of Marriott International - A Case Study." *IIDE*, 28 Dec. 2021, [iide.co/case-studies/marketing-strategy-Marriott-international](http://iide.co/case-studies/marketing-strategy-Marriott-international).

### **Physical Evidence:**

The most visible physical evidence for J W Marriott is its hotel buildings and resorts. Services are primarily intangible, but Marriott strives to provide a beautiful lavish ambiance and interior to their customers, a lavish ambiance with a lasting physical experience that easily attracts customers and makes them return to retain that experience. Towels, booklets, pens, soaps, and other objects of the Marriott brand are also available.<sup>14</sup>

In general, many individuals prefer to reside in a comfortable, aesthetically pleasing venue where they can live a standard life of luxury. Many customers are loyal to the hotels because of their various locations and quality in every destination with flexibility. Marriott is also thought to be economically reasonable because they have different prices at different locations, alluding to a larger target audience. Furthermore, JW Marriott offers a comfortable stay that highlights the hotel's specialties and culture as well as its surroundings. Each hotel is designed to be comfortable and modern, with a touch of tradition and culture. With a luxury and premium target group, it appeals to all tourists.

### **The Peninsula Tokyo<sup>15</sup>**

The Peninsula Hotels has prioritized meeting corporate objectives while providing value to their customers for nearly a century. They have determined what their customers value most and which key components are required to remain in business. The Peninsula Tokyo has benefited from the brands' prior trial and error since its inception in 2007. As a result, while adapting their strategies to Japanese culture, they were able to successfully implement the four P's and the Marketing Mix.

### **Product**

The 24-story hotel, which has 314 rooms and five restaurants, provides a wide range of services and products. While primarily providing luxury goods and services, nearly all of the expectations of luxury travelers can be met. It is one of Tokyo's largest and most technologically advanced rooms. Guests have a choice of nine different room types, ranging from Deluxe Rooms of 54sqm to The Peninsula Suite of 347sqm. The Spa and Wellness Center is an ideal rehabilitation retreat. The hotels can also accommodate high-end luxury requests such as a Rolls-Royce airport pick-up or Peninsula's signature helicopter pick-up service.

### **Price**

The cost of luxury is not inexpensive. A Deluxe Room costs JPY 55'000 per night (CHF 500) and The Peninsula Suite costs JPY 1'500'000 per night (CHF 13'500). One can save money by selecting one of the five packages they offer. As a tribute to their recent success, the "Forbes Five-Star Special Offer" is their newest package. This package includes a complimentary room upgrade, a JPY 5000 (CHF 50) dining or spa credit, and chocolate amenities. Dining at their F&B outlets can be quite expensive. The culinary "Eat like a local" activity, which was mentioned briefly in the previous paragraph, costs JPY 31'000 (CHF 280). As a result, The Peninsula Tokyo attracts a rather affluent target market.

### **Promotion**

The Peninsula Tokyo benefits from a prestigious global brand reputation because The Peninsula Hotels has been a renowned brand for decades. The Peninsula Tokyo's consistently high level of service quality, and thus positive feedback from guests, has resulted in a snowball effect for hotel promotion and publicity. The Peninsula Tokyo has been named the winner of the *2019 Travelers Choice Awards* by TripAdvisor users. The hotel benefits from additional promotion by being mentioned in various travel magazines such as Forbes Travel Guide, Telegraph UK, Condé Nast Traveler, and Travel + Leisure. In addition, the hotel's sales team actively promotes attractive corporate rates to corporate guests. The hotel values their most loyal guests and has established a prestigious loyalty program called "Pen Key," which can only be joined after a rigorous selection process. All of these external and internal factors help to promote the hotel on a global scale.<sup>16</sup>

Accessibility is critical to providing a positive overall experience for the guest. The Peninsula Tokyo's official website is extremely simple to use for first-time visitors. The simple layout allows guests to book their upcoming stay directly on the official website, by phone, or by e-mail. Reservations can also be made through online travel agencies (OTAs) such as Expedia or Booking.com. The hotel has partnered with the online reservation network OpenTable for restaurant reservations. Apart from the online channels in which they are represented, the hotel's location provides a wide range of

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<sup>14</sup><https://pdfcoffee.com/the-marketing-mix-7ps-pdf-free.html>

<sup>15</sup>"5 Star Hotel Tokyo, Japan - Luxury Hotel | The Peninsula Tokyo." *5 Star Hotel Tokyo, Japan - Luxury Hotel | The Peninsula Tokyo*, www.peninsula.com/en/tokyo/5-star-luxury-hotel-ginza.

<sup>16</sup>- "Hotel Industry in the U.S.- Statistics and Facts." *Statista*, 2 Aug. 2022, www.statista.com/topics/7704/hotel-industry-in-the-us/#dossierKeyfigures.

activities such as shopping and sightseeing, all of which are within walking distance. The "Hibiya" underground station is connected to the hotel and thus easily accessible to guests. The concierge team can arrange for chauffeur service for a more upscale way to get around town. The hotel is not only well-located for tourists, but also for business guests, as the surrounding area is densely packed with corporate offices and trendy after-work hangouts.

### CONCLUSION

The purpose of this study was to determine the impact of tourist hotel marketing mix variables on their marketing performance. According to the literature review, marketing mix factors such as product, price, location, promotion, people, process, and physical evidence have a significant impact on the marketing performance of tourist hotels. According to the findings, product, price, location, promotion, people, process, and physical evidence all have a significant and positive impact on the marketing performance of tourists' hotels in the eastern province. As the findings suggest, tourist hotels must determine the best combination of marketing mix variables in order to improve their marketing performance.

Previous research (Suherly et al., 2016; Antoneta et al., 2015; Michel et al., 2013; Neuts et al., 2013) has also concluded that marketing mix strategies have a notable impact on the marketing performances of hotels, including sales growth, market share growth, and profitability. To great extents.<sup>17</sup> Subsequently, the hotel's primary target group is mid-aged to affluent elderly leisure or business guests. The hotels have successfully established themselves as market leaders in the luxury hospitality sector, precisely where they intend to be. A large part of their success stems from the brand's years of industry experience, but it also stems from the strategically constructed marketing mix they currently employ. Both the hotel services keep a keen eye on every single detail as explained with the JW Marriot and their 7 Ps in common as a larger chain of hotels and The Peninsula a limited chain of hotel of 10 hotels only, analysing one of their first and most effective hotel the Tokyo branch in detail to understand both aspects of the hotel industry within the chain hospitality and local luxury hotel with an international name, appeal and brand. The purpose of this study was to determine the impact of tourist hotel marketing mix variables on their marketing performance. According to the literature review, marketing mix factors such as product, price, location, promotion, people, process, and physical evidence have a significant impact on the marketing performance of tourist hotels.

According to the findings, product, price, location, promotion, people, process, and physical evidence all have a significant and positive impact on the marketing performance of tourists' hotels in the eastern province. As the findings suggest, tourist hotels must determine the best combination of marketing mix variables in order to improve their marketing performance

However, to appeal to a younger audience, the hotels could improve in the areas of "Promotion," "Place," and "Product." They could, for example, actively collaborate with luxury travel influencers or food bloggers. In general, these influencers have a younger audience, which could help to broaden target groups and sales, particularly for the Peninsula Group.<sup>18</sup>

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<sup>17</sup> Suherly. H., Faisal. A., Helmi. A., and Alexandre D. G., (2016). Marketing performance as the impact of Marketing mix strategy (7p) with determination Of market attraction and company's resource. (Survey on performers of tourism industry in timor leste). *International Journal of Economics, Commerce and Management United Kingdom*, IV(9), 569-587

<sup>18</sup> Tokyo, The Peninsula. "Shaking up the Market with This Marketing Mix!" *Blogmarketing1819b\_8.2*, 18 Mar. 2019, [blogmarketing1819b10.home.blog/2019/03/18/shaking-up-the-market-with-this-marketing-mix](http://blogmarketing1819b10.home.blog/2019/03/18/shaking-up-the-market-with-this-marketing-mix).