

Marketing & Sales in Hospitality

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|----|--|----|-----|
| 04 | ROOM SELLING TECHNIQUES | 02 | 05% |
| | <ul style="list-style-type: none">A. Up sellingB. Discounts | | |

The easiest way to make money is – create something of such value that everybody wants and go out and give and create value, the money comes automatically.



Jordan Belfort
www.gothamcity.com

Is Marketing the Same as Selling?

Marketing is an overall Organisational activity that includes, the planning, pricing, promotion, packaging, advertising and selling, of any Product/Service/Idea, which offers **value** to an end-user .

Selling is therefore only a **part** of the overall **Marketing** of any Product and there lies the difference.



Value in Marketing?

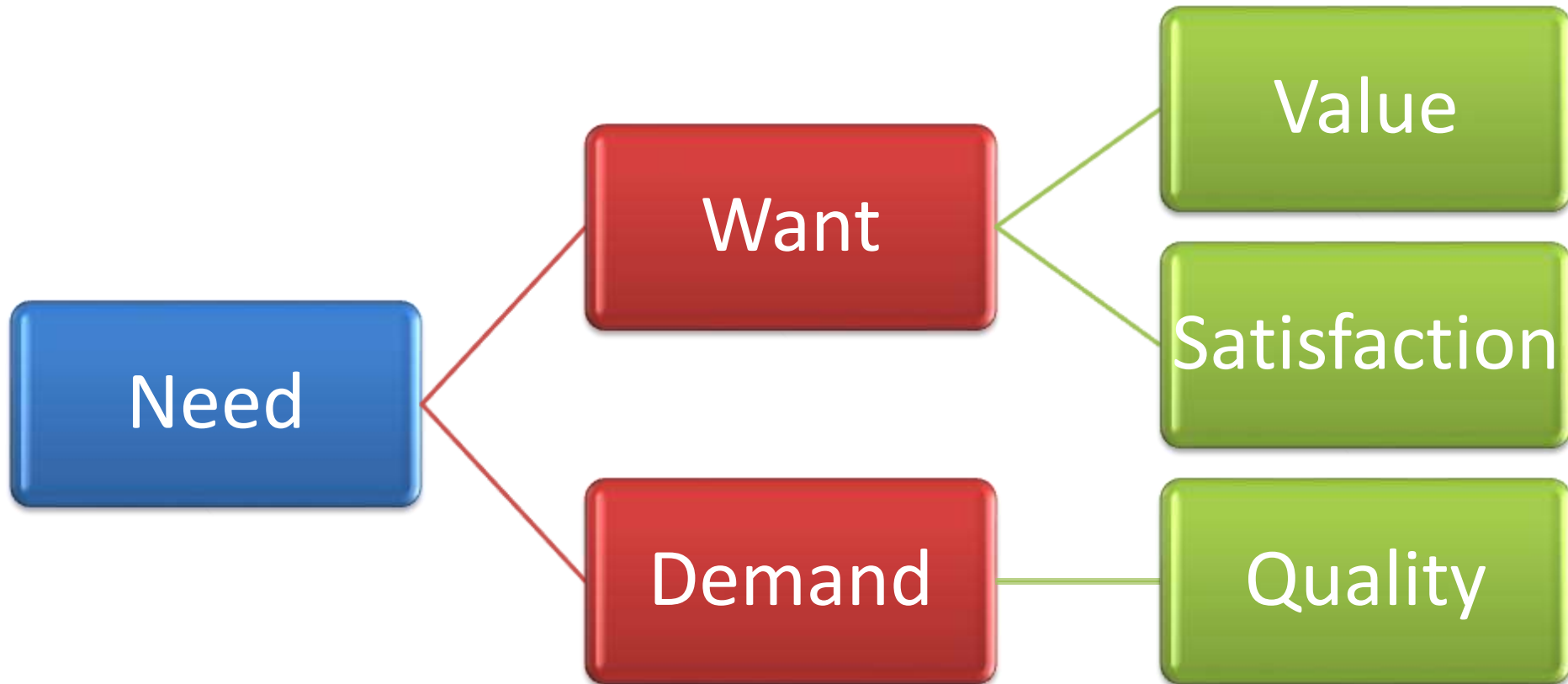
- Value is a customer's thinking. The value is the simple equation;

Benefits of purchase – Price of purchase =
Value of the product/service/idea (in the mind of the customer).

- Greater the value of a product in the customer's mind, higher will be the demand for that product.



Concepts Related To Marketing



Need, Want & Demand

All living things have **needs**. E.g. (Food)
Physiological, Social & Self-Respect

Want is an expression of a need. “I want
sugar-free sweets”.

A demand is created when the want is
backed by willingness and ability to pay.

Product satisfies a stated (said) and hidden needs/wants/demands of a customer.

Value is the customer's thoughts about the product being a good bargain or not.

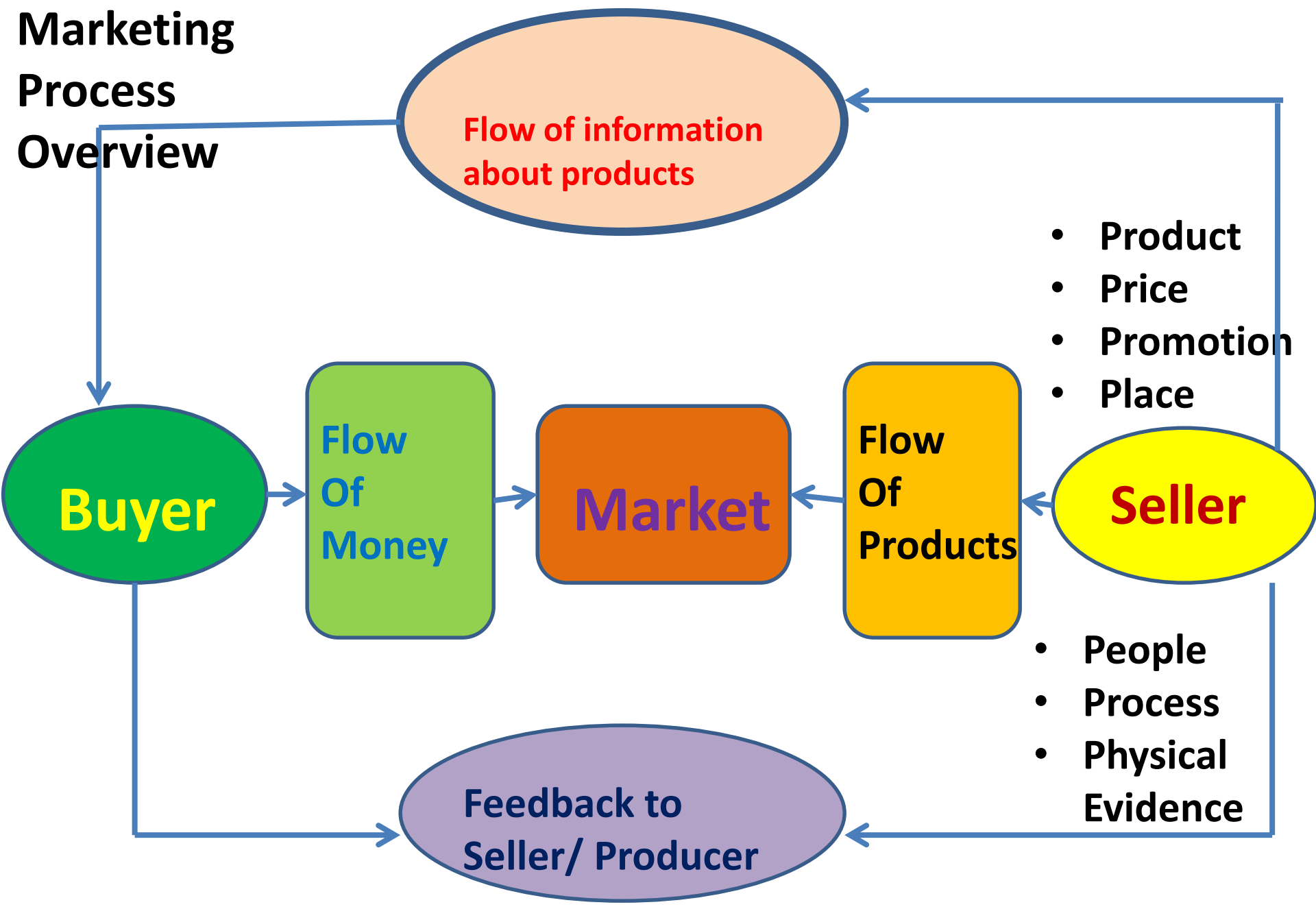
Satisfaction is the mental judgement of a purchase. E.g. Not as expected, just as expected, better than expected.



The ISO 9000:2015 and ISO 9001:2015 standards are based on seven quality management principles that senior management can apply for organizational improvement:

Quality is a product's ability to satisfy a customer's needs.

Marketing Process Overview



The Marketing Mix

It is a combination of factors in marketing plan, that can be controlled by a company to influence consumers to purchase its products.



Product

Price

Place

Promotion

7 Ps of Service Marketing Mix



- 1. Product- what to sell, to whom, why'**
- 2. Price- great value for buyer, profitable for seller**
- 3. Place- where to sell, how to sell?**
- 4. Promotion- publicity, ads, schemes to attract**
- 5. People- Those giving service are important**
- 6. Process- time, steps to serve (easy or irritating?)**
- 7. Physical Evidence- intangible service backed by photo, sample, familiarization tour etc. to convince a new buyer.**

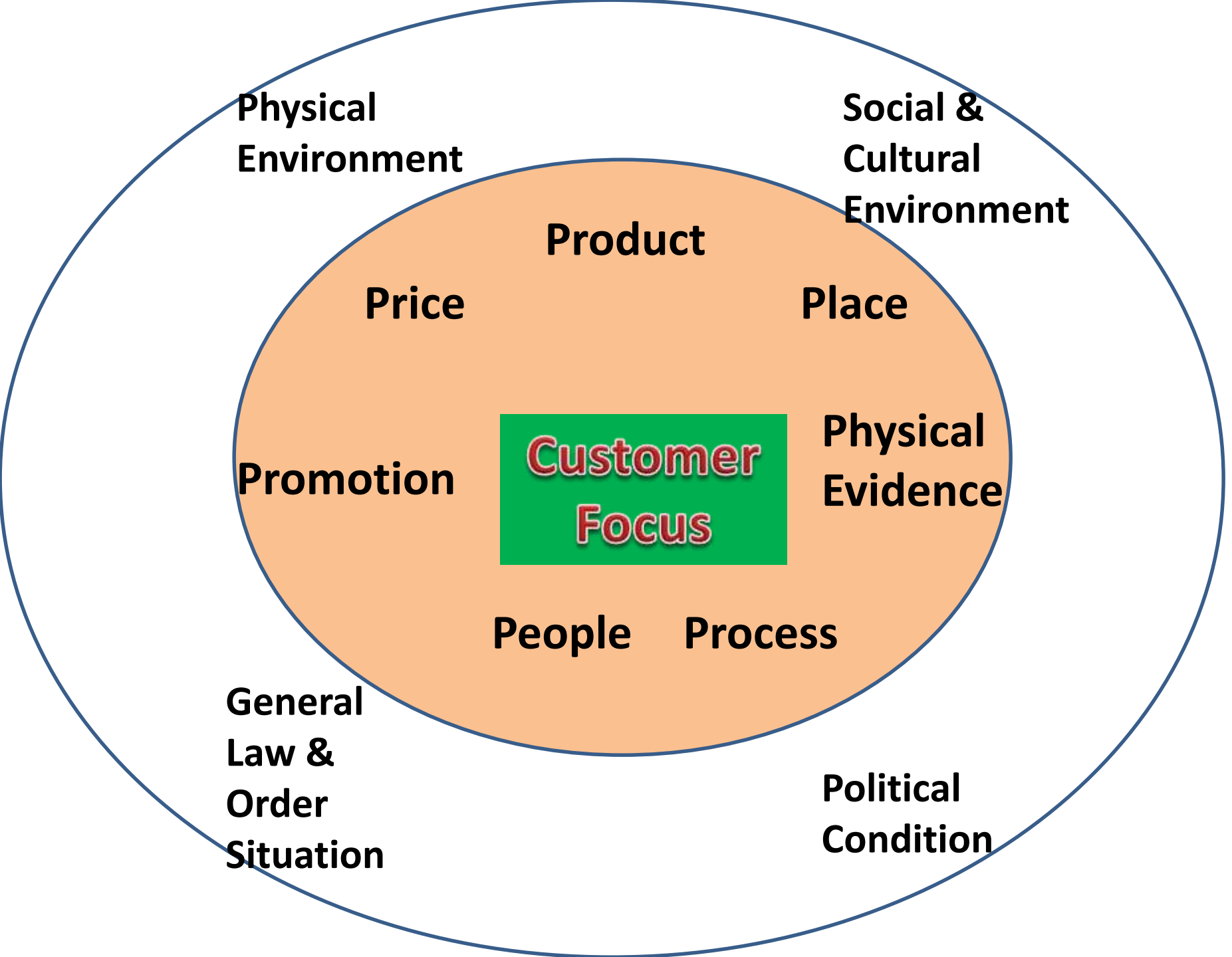
The Marketing Mix:



Every marketing activity is aimed to satisfy the customer. The buying and selling is helped by the 7 P's of marketing mix. These are under the control of organizations.

But, there are factors that affect all marketing and sales activity, and organizations are not able to control them.

They are shown on a diagram in the next slide.

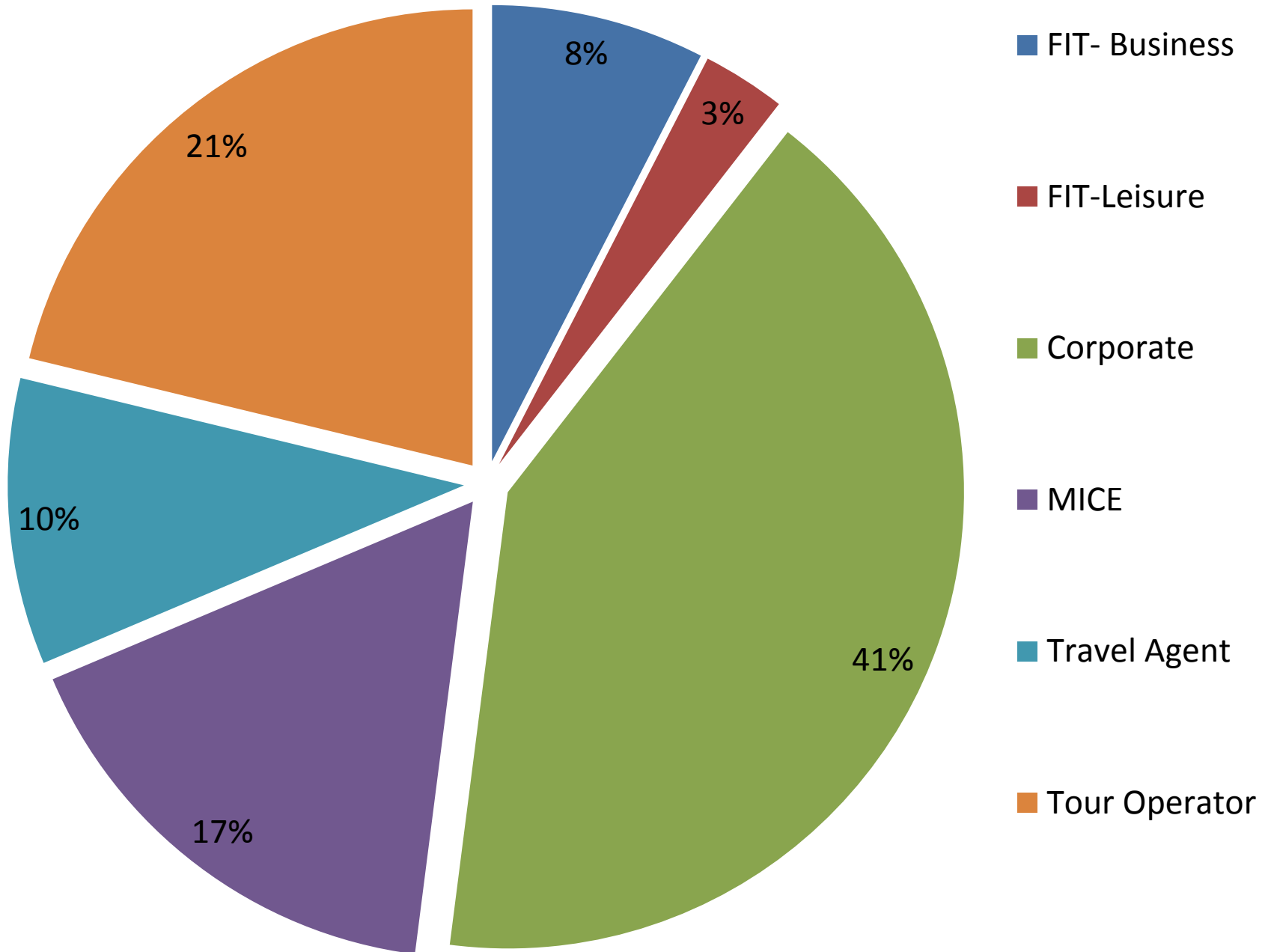


What Are Market Segments?

- All customers are not same. But, it is possible to have a broad classification on the basis of one or more common characteristic, such as, income, age, gender, city, religion etc. so that marketing team can adjust the 7 p's of hotel to make the offer attractive to a particular segment.
- Hotel guests are broadly classified into two segments;

Group (GIT) & Transient (FIT)

Sales



Group Market

**Corporate
MICE**

**Travel Agent
Tour operator
Long Stay Guests**

Transient market

**Business
Traveller**

**Leisure
Traveller**

Market Segments

Sales Technique

- Personal Sales: The sales person personally visits the prospective buyer to make a sale.



- Telephone Sales: The sales person makes calls to prospective buyer, by taking an appointment with the prospective buyer.



Seven Steps to Successful Personal Selling

- Step 1: Prospecting and Qualifying.
- Step 2: Pre-approach.
- Step 3: Approach.
- Step 4: Presentation.
- Step 5: Handling Objections.
- Step 6: Closing the Sale.
- Step 7: Following Up.

| Step No. | Step Name | Activities |
|-----------------|-------------------------------------|--|
| 1. | Prospecting & Qualifying | Making a list of people/Companies/ agencies that might be interested in hotel products & services. |
| 2. | Pre-Approach | Learning about the product, researching the client and competing brands. |
| 3. | Approach | Asking the client for the time of an appointment, to present. |
| 4. | Presentation | To deliver the presentation in front of the decision-making authority, to convince. |
| 5. | Handling Objections | Clients are always reluctant to make a big investment and may have many doubts & objections. |
| 6. | Closing the Sale | This is to ask the client to finally decide, in favour of the company. |
| 7. | Following-Up | Follow- up is to check for guest satisfaction. If guests are happy, company may expect repeat business. |

Sales Technique For Front Office Staff

Most of the sale of hotel rooms come from Marketing & Sales department of a hotel. Hotel only generates sale from direct calls, fax, e-mail etc.

Front office staff , however, can learn the following sales technique to be able to generate more revenue at local level.



In-House Sales Techniques

- Overbooking
- Relationship Selling
- Upselling
- Suggestive Selling
- Cross Selling



Overbooking: A Necessary Risk

- Practice of accepting more reservations than the number of available rooms is overbooking.
- Hotel reservations also get cancelled or amended. If the cancellation is made near the date of expected check-in, it may be difficult to again sell that room.
- Some guests do not come (No Show) without informing hotel.
- Hotel suffers financial loss due to that.
- To minimize this risk, hotels overbook rooms, after studying the past data on % of cancellation & No Show.



Handling Overbooking

- It is possible that sometimes, more guests arrive for check-in than the number of rooms available.
- Simply, apologize and offer to accommodate them for 1 night in a nearby comparable property. Ask them if they would like to return.
- Arrange transport & provide luggage assistance.
- All hotels & airlines overbook.
- Don't feel guilty.
- Safe or sorry?!!!



Relationship Selling

- Hotels maintain guest history, take regular feedback through Guest relations Executive and try to please the guest through highly personalized services.
- Marketing team keeps sending regular greetings and new offers to these guests.
- This is selling through a relationship based on mutual understanding, trust and respect.





Upselling

- **Upselling** is a sales technique where a seller induces (motivates) the customer to purchase more expensive items, upgrades or other add-ons in an attempt to make a more profitable sale. ... In practice, large businesses usually combine **upselling** and cross-selling to maximize profit.
- The suggestion is made after a careful analysis that the original product may not satisfy the guest needs fully.
- There are three techniques of Upselling.



Top-Down or Door-in-the-Face method

- Start with highest rate.
- Used with customers asking for 'best' product.



Bottom-Up or Foot-in-the-Door Method

- Start with lowest rate.
- Used with guest asking for discount and cheapest options.



Mid-Rate Shift or Choice-of-Doors Method

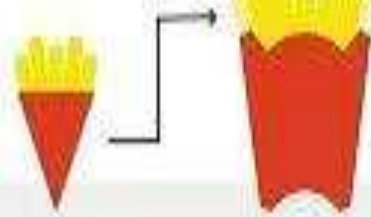
- Start with medium rates.
- Used with guests who give no indication of preference. Decide the next rate after guest response.

Cross-Sell & Upsell Comparison

Cross-sell vs. up-sell



CROSS-SELL



UP-SELL



Upselling

Suggestive Selling



- Suggestive selling is a sales technique where the employee asks the customer if they would like to include an additional purchase, or recommends a product which might suit the client. E.g. Salad before meal, dessert after the meal.
- Suggestive selling is used to increase the purchase amount of the client and revenues of the business.



Cross Selling or Link Selling

- Encouraging a customer who buys a product (petrol, for example) to buy a related or complementary product (engine oil, for example).
- E.g. Telling about restaurant, bar & spa at Check-in.
- Cross-selling is generally illegal if there is a tie-in between the two products; where the customer must buy one in order to buy the other.



Discount & Down Selling



- Discount is a deduction from the normal price of something.
- Discount could be genuine (during off season or for wholesale).
- Discount could be artificial, where the price is first increased, and then a discount is offered.
- An effective technique to increasing sales is to offer certain products at a steep discount, which are called loss leaders. The importance of loss leaders is the ability to draw new customers into your hotel.
- Once inside a hotel, they may buy many new things on an impulse (strong, sudden desire).

Down Selling

- A concept in internet marketing, where the company offers an alternative product, at a lower price, after the customer had said no to the first product.

