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THE ROLE OF MARKETING IN HOTEL INDUSTRY

Case (Six successful hotel units in Abuja and Jakobstad).

Thesis

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ABSTRACT

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Name of thesis THE ROLE OF MARKETING IN HOTEL INDUSTRY Case (Six successful hotel units in Abuja and Jakobstad)		
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<p>The hotel business is arguably the most lucrative business within the hospitality industry. This is proven by the astronomical growth rate of the industry. However, in the recent years, the industry has witnessed a high level of competitions which makes hotel owners and managers search for new ways of ensuring success in their business voyages by applying different strategies to yield high occupancy rate of their hotel rooms and concomitantly provides them with good returns on their investment.</p> <p>The purpose of this research work was to analyze the role played by marketing in the development of the hotel industry.</p> <p>The objective of this report was to highlight the importance of marketing in the accommodation business. The aim was also to showcase the impact of marketing in the development of hotel as an industry and how marketing could be used to ensure success in a highly competitive, volatile and diverse industry such as the hospitality industry.</p> <p>The empirical part of this research was conducted with the use of the qualitative research method. A semi-structured interview was conducted among stakeholders in the hotel industry both in Abuja, Nigeria and Jakobstad, Finland.</p> <p>The theoretical framework for this research focused on basic the concepts in hotel management and in the marketing field. The source of data for this research was also taken from secondary data which were provided by authors and scholars both in the field of marketing as well as in the hotel management.</p> <p>Considering the aim of this research and the degree of validity and reliability, great effort was made to ensure the objectivity of the report and conclusion. The result of this report shows that marketing is the life blood on which the success of any hotel outlet depends on.</p>		
Key words Hospitality industry, hotel industry, role of marketing		

CONCEPT DEFINITIONS

Points-of-difference: refers to the attributes or benefits consumers strongly associate with a brand, positively evaluate, and believe they could not find to the same extent with a competitive brand.

Points-of-parity: refers to associations that are not necessarily unique to the brand but may in fact be shared with other brands.

ABSTRACT
CONCEPT DEFINITIONS
CONTENTS

1 INTRODUCTION.....	1
2 ACCOMMODATION INDUSTRY	3
2.1 Accommodation industry	3
2.2 Types of tourist accommodation	5
2.3 The hotel industry	5
2.4 Origin of hotel industry in brief.....	6
2.5 Types of hotel.....	7
2.5.1 Residential hotel	8
2.5.2 Transit hotels	8
2.5.3 Resort hotels.....	8
2.5.4 Heritage hotels	8
2.5.5 Commercial hotels.....	9
2.6 Classification of hotels	9
2.6.1 Diamond rating system	9
2.6.2 Star rating system.....	10
3 MARKETING OF HOTEL SERVICES	12
3.1 Defining Marketing	12
3.2 Marketing in hotel industry	13
3.3 Marketing orientations	13
3.4 Segmentation of the hotel market	15
3.5 Market positioning of hotel services	19
3.6 Hotel marketing mix	20
3.7 Market Strategy in Hotel Industry	23
3.8 Digital marketing in hotel industry	24
3.9 Digital marketing communication channels	24
3.9.1 Email marketing.....	24
3.9.2 Viral marketing	25
3.9.3 Word-of-mouth.....	25
4 THE ROLE OF MARKETING IN HOTEL BUSINESS.....	26
4.1 Jakobstad in brief.....	27
4.2 Abuja in brief.....	28
5 RESEARCH METHOD AND ANALYSIS	30
5.1 Research method	30
5.2 Qualitative research method	30
5.3 Method of data collection	32
5.4 Analysis of the research interview	33
5.5 Findings	36
5.6 Reliability and validity.....	38

6 CONCLUSIONS	40
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REFERENCES

APPENDIX 1

GRAPHS

GRAPH 1. Marketing Orientation	14
GRAPH 2. Market Segmentation.....	17
GRAPH 3. The Four P's of the marketing mix.....	20
GRAPH 4. Overall Marketing Strategy	23
GRAPH 5. Map of Finland highlighting Jakobstad	28
GRAPH 6. Map of Nigeria highlighting Abuja.....	29

1 INTRODUCTION

The hospitality industry is one of the largest and fastest growing industries around the world. The industry comprises of various sub-sectors which include the hotel sector, restaurant and resort. The tourism and hospitality industry is a sector that most countries around the world try to develop. The industry has been one of the major employers throughout the world. The hotel industry being a vital part of the wider hospitality industry occupies an important place in the economy of most countries, the industry has been forecasted to generate 555 billion U.S dollars in revenue in 2016.

The hotel industry, being the most visible sector within the hospitality industry, is experiencing a major setback that threatens the attractiveness of the sector to prospective investors. Even though various statistics shows that the industry has been growing at an astronomical rate, taking a closer look at these statistics, one will discover that the major growth in the industry can only be seen in the chain operated hotels and industry cooperate segments. Furthermore, the level of competitions within the hotel industry has increased so much in the recent decades, to the point that it poses a threat not only to new entrants into the industry but also to those companies that have been in the business for many years. It is no longer a secret that many hotels are struggling to keep up with the level of competitions both within and outside the industry. Only a few hotels are able to sustain the pressure and make a profit in the long run. This has raised a fundamental questions such as what does the future hold for small and medium scale hotels? How can they make a sustainable profit in the industry? A simple answer to these questions can be found in the latter part of this thesis.

This research proposes to examine the role of marketing in hospitality settings, specifically in the hotel industry. The aim of writing this thesis is to analyze the role which marketing plays in the development of hotel industry; the way marketing has changed the industry and how it can be used to further develop the industry and to create a positive brand image of a hotel in the minds of the customers.

This research addresses a number of questions which include (but are not limited to): How can marketing be used effectively and efficiently to promote a hotel as a brand? What are

the best marketing strategies to retain guests in a highly competitive market such as the hotel industry? What is the future of marketing in the hotel industry?

The objectives of this thesis are:

- To assess the role played by marketing in the development of the hotel industry
- To find an effective way of promoting hotel products
- To promote the use of efficient marketing strategies in hotel industry.

It is common that every research project faces one or more limitations. In this respect, there is a high possibility that this research work might face some limitations, too. These limitations include: subjectivity in opinions of the interviewee, interviewee not willing to give information about their business strategies which might be considered to be confidential to their company. However, effort has been made by the researcher to ensure that those limitations were overcome by: preparing documents which will prove the credibility of this research to the interviewees and also convince them that the information they provide during the interview will solely be used for the purpose of this research. Additionally, the fact that it is not possible for the researcher to be present in person to conduct some of the interviews is also a limitation to this study; however plans has been made to make sure that cordial relationship is established with the respondent in order to build trust prior to the date of the interviews.

2 ACCOMMODATION INDUSTRY

This chapter focuses on the accommodation sector, particularly the hotel industry. Special attention is given to the evolution of hotel as an industry and the rating system within the field.

2.1 Accommodation industry

When someone travels to a destination, either as a tourist or a mere visitor, the person will need a place to stay and relax. Accommodation provides a base where one can engage in the process of staying at a destination. Over the years, accommodation has become the center of focus when hosting guests. It is an important element to be considered during the planning of a journey, because it comprises of the biggest element of tourist spending during a trip. (Page 2009, 253-255.)

The accommodation industry which is also known as the lodging industry is a component of the wider hospitality sector. Though the word “accommodation” is a term that seems common to everyone on a daily usage, yet it is important to give the definition of the phenomenon within the context of tourism.

Merriam-Webster dictionary defines accommodation as a place where travelers can sleep and find other services or a place where people can live, stay or work (Merriam-Webster 2014). Meanwhile, the National Institute of Statistic and Economic Studies (NISES) goes further by making references to time in its definition of accommodation. According to the institution, an accommodation is any facilities that provide lodging for tourists either on a regular or occasional basis, particularly for short-term, holiday and vacation. (NISES 2014.)

The above definitions may not be sufficed in capturing the whole concept of accommodation as regards tourism and hospitality industry. Therefore, it is pertinent to take a look at the modern definition of accommodation proposed by Middleton. According to him, a tourist accommodation includes all establishments offering overnight accommodation on a commercial or ‘quasi- commercial’ basis to all categories of visitors. The writer’s explanation of

“quasi-commercial” means accommodation products outside the commercial sector for which a charge is made to contribute to cost. He further gave an example which includes universities owned students’ accommodation which were being marketed for conferences and holidays during the time when regular students are on holiday. (Middleton, Alan, Morgan & Ronchhod 2009, 364.)

No doubt that commercial accommodation is one of the biggest sub-sectors in the hospitality industry. It consists of hotels, motels, cottages, resorts, hostels, guest houses, inns, lodges, life care, and all-suites to mention but a few. It is crucial to state it here that each of these subsidiaries within the accommodation industry has its unique features which differentiate it from the others. Taking a look at the classification of accommodation one will see that it largely depends on the market orientation, type of lodging provided to the guest as well as the place where it locates its operation. For instance, before a commercial establishment or unit can be regarded as a hotel it must fulfil the basic requirement of having at least six letting rooms and a separate private bathroom which is attached to each of the rooms. (Cooper, Fletcher, Fyall, Gilbert & Wanhill 2008, 343)

When it comes to travelling and tourism, the quality of accommodation facilities available in a destination determines the overall image of the destination. It is obvious to see that tourists do not just decide to visit a destination because of accommodation rather the motivation to stay in an accommodation usually comes due to the support service that the accommodation provides in addition to the core purpose that has brought the tourist; either business or leisure. Due to this reason, one can say that accommodation serves an important purpose in the overall experience of a tourist to a destination (Cooper et al. 2008, 343). At this juncture, the researcher will like to point out that the accommodation industry has experienced transformation, and the growth in the industry usually goes together with the development in resorts and other sectors of tourism activities which encourage as tourist to visit a destination. (Page 2009, 254.)

2.2 Types of tourist accommodation

Since 1945 the accommodation industry has gone through a lot of changes just the same way as the tourism industry. The industry has witnessed regular innovations which have resulted in various product diversifications. The diversities range from

- Small “home style” accommodation which provides services such as bed and breakfast for one or two guests, to accommodation such as big hotels that cater for up to 4000 guests.
- Accommodation which provides basic services such as bed, to the ones that provide luxurious room and ancillary services.
- Small accommodation owned by family, to multinational companies.

Despite the variations in types of tourist accommodation from one country to another, the sector can be categorized into two broad categories under serviced and non-serviced tourist accommodation (Page 2009, 266; Cooper et al 2008, 343). A serviced tourist accommodation is the type of accommodation that offers the guest with services ranging from cleaning, meals, bars to room services. Additionally, people are usually onsite to provide the guests with such services and the price for the accommodation is often inclusive of the charges for the extra services, irrespective whether or not a guest uses the services. The serviced tourist accommodation dominated the industry before 1945 and examples include hotels, resorts, and bed and breakfast. On the other hand, the non-serviced tourist accommodation or self-catering accommodation as it is sometimes called is furnished just like the serviced accommodation, they are made available to the guest on a renter basis. The major differences between the serviced and non-serviced accommodation is that in the latter additional services such as meals, bars and shops may be available onsite for a separate fee. Villas, chalets and cottages are perfect examples of the non-serviced tourist accommodation. (Middleton 2009, 364.)

2.3 The hotel industry

As mentioned earlier, the hotel industry is one of the most important sectors in the tourism and hospitality industry. The World Tourism organization (UNWTO) stated that the global

number of hotel rooms has grown from 14 million to 17 million between 1997 to 2005 and the figure is expected to increase astronomically by the end of 2020. The growth in the hotel industry has been identified as one of the major facilitators in the development of Tourism and hospitality industry as a whole. No wonder the governments of some countries give incentives to hotel developers and owners in order to further enhance their country's tourism sector (Page 2009, 259). Of all the various types of accommodation available to the tourist, the hotel is the biggest and most visible sub-sector. It is usually viewed traditionally as an establishment which provides accommodation, food and beverage services on a pay basis to guests who are only for a short stay. However, the modern perception of a hotel is more complex than this due to the fact that not all of the hotels provide services such as food and beverages, at the same time, some hotels even offer additional services such as conference rooms to their guests. (Cooper et al. 2008, 343-346.)

At this point, due to the variations in what is considered to be a hotel in different countries, it is necessary to give a simple definition of a hotel in this research work. Perhaps, the definition proposed by the European Commission is suitable for this study. According to the Commission (Eurostat 2013) a hotel is a unit which provides stays for visitors, typically on a daily or weekly basis, principally for short stays. Furthermore, the Commission gives details of services provided by such units to include daily cleaning and bed-making as well as offering food and beverages, parking, laundry services, recreational services to the guests. It is also good to state here that some of the hotels offer amenities such as conference and convention facilities (European commission 2014.) Having given a glimpse of a hotel, the reason for variations in what constitute a hotel in different countries can better be explained by taking a closer look into how hotels came into existence and the origin of the industry.

2.4 Origin of hotel industry in brief

The history of hotel industry is as old as man himself. According to Jacques Levy-Bonvin, the history can be traced back to the biblical times when records were made about numerous facilities offering guests a resting place. One notable thing about the hotel in those days was that they were private homes that were made open to the public. They were not known as hotels at the beginning, rather they were called "Inns" and later known as "taverns". It is also

good to point out that important developments in commercial accommodation or hotels took place in different periods of time.

In the Middle Ages, the Greeks were the first to build small resting places in villages for visitors. Later on, the Romans took the idea a step forward by building mansions for the same purpose. Despite this achievement, meals were not offered in these accommodations during those time. The fifteenth century marked the beginning of the hotel as an industry, laws were made by countries to regulate the activities in the industry, particularly in France and England. During those time periods, the industry flourished due to the fact that more people are travelling for religious pilgrimage and other purposes. However, the boom in the INN businesses was short-lived as soon as the railway was invented: the travelling time reduced and travelers did not have the need to stay overnight in INNs. The name INN was subsequently changed to taverns and it instantly became a meeting place for people to have food and entertainment. (Sheela 2002, 3.)

The industrial revolution which begins in the 1760s was one of the major facilitators for building of hotels throughout Europe. This also influenced the hotel industry in America and other parts of the world. At this time, hotels can be seen in every major city and town. An example is the City Hotel which was the first publicly held hotel in New York, opened in 1792. The nineteenth century marked a new era in the hotel industry. This was the time when the industry recorded great prosperity which concomitantly gave opportunities for many entrepreneurs to invest in the sector. Many famous hotel chains in the world such as Radisson Hotel and Hilton Hotel were established at this period. (Cooper et al. 2008, 355–357.)

2.5 Types of hotel

The hotel provides home away from home to millions of travelers and tourists. The purpose of their visit is different, so is their need and expectation of services rendered by the hotel. Hotels can be classified based on the room charges, facilities available, length of stays of guests, location of the hotel, ownership and management and many more. Some of the most famous classifications will be explained below.

2.5.1 Residential hotel

The residential hotels are apartment houses which are usually located in big cities and provide hotel services to guests who stay on a long term basis. It is also possible for guests to stay at residential hotels for a shorter period of time.

2.5.2 Transit hotels

Transit hotel are located close to airports and motor-ways, they cater for guests who are on transit and need a temporary place to stay for a shorter period of time which may vary from one hour to few days. A distinctive characteristic of transit hotels is their design which mainly focuses on providing comfort and convenience.

2.5.3 Resort hotels

The resort hotels are located in special places close to scenic beauty such as lakes, mountains, seas and beaches. Since the emphasis of a resort hotel is usually on relaxation, it is not uncommon to find recreational amenities such as golf course, swimming pool, skiing, tennis courts and some other indoor sport facilities in the hotel. The main target group for this type of hotels are people with income that is above average who are looking for a place to relax and stay away from their daily routine. Resort hotels are mostly seasonal establishments. However, in the recently, the trends have changed a little and some resort hotels are operating throughout the year. Resort hotels can also be sub-divided into summer resorts, winter resorts, health resorts, all season resorts, and hill resorts. (Raju 2009, 75.)

2.5.4 Heritage hotels

Heritage hotels are old properties of aristocratic and royal families which are renovated to provide special experience to tourists. This type of hotels give guests special treatment like nobles. Heritage hotels are not as common as the commercial or residential hotels.

2.5.5 Commercial hotels

Commercial hotels as the name suggests are usually located in city center and draw their guests from everywhere. The hotel's main focus is usually on the busy commercial center and they provide services such as business center facilities and parking space. The idea of the hotel being in the city centers may cause someone to think that the hotels' customers are only business travelers. However, the numbers of leisure travelers lodging in the hotel is increasing yearly. Moreover, the commercial hotels even have guests who lodge in the hotel on a permanent bases. (Kumar & Narayan 2008, 24 – 26.)

2.6 Classification of hotels

According to Gee (1994) hotel classification is “the assignment of hotels to a categorical rating according to the type of property, facilities, and amenities offered”. The classification system was brought into the hotel industry at a time when it was only a few establishments that strived to provide safe and reliable lodging and food to travelers. The system was initially developed as a regulatory framework which ensured customers protection. In the recent years, the focus of the classification system has changed a little bit from protecting to informing the customers. Additionally, the system is now being used to market the hotel establishment and also to standardize the industry by various local, state and national governments. (Brody 2009, 6.)

Due to the heterogeneity of the hotel industry, it is difficult to have a unified classification system, as different classification exists in different countries. Among the most popular and well respected trademark classification systems in the global hotel and travelling industry are the stars and the diamond rating systems.

2.6.1 Diamond rating system

The American Automobile Association (AAA) was among the first authorities to approve designations for hotels and restaurants. The criteria for its rating is based on a combination of the overall quality, the range of facilities available as well as the level of services offered

by the hotel. Additionally, the rating also represents the type of experience which the travelers should expect from the hotel unit. AAA ratings range from 1 to 5 diamonds of which each of the diamonds has its unique or distinctive characteristics; hotels with one diamond rating are the ones that provides essential accommodation service with no-frills, they usually meet up with basic comfort, cleanliness and hospitality and they usually appeal to budget minded travelers. In a two diamond hotel, the customers can expect affordable rooms where physical attributes, design and amenities have been enhanced as compared to one diamond hotel. Meanwhile, a three diamond hotel is somewhere between providing basic amenities to providing luxury. It usually has multifaceted accommodations with distinguished style, physical attributes, amenities and guest comfort. In a four diamond hotel, the customer can expect to see refined and stylish rooms with upscale physical attributes that reflect enhanced quality throughout. One of the distinctive characteristics between a four diamond hotel and the other lower diamonds is that properties designated with the four diamonds often have extensive amenities with a high degree of hospitality and services. The five diamond hotels have the highest level of luxury with extraordinary physical attributes, meticulous personalized service, extensive amenities and impeccable standards of excellence (AAA 2015.)

2.6.2 Star rating system

The star rating system is everywhere across the globe, most travelers and hotel guests prefer making inquiries about hotels in relation to their stars despite the fact that the criteria for the star rating of hotels varies from one country to another. Star rating is useful in hotel industry for many reasons; at the national level it provides the customers the opportunity of finding a hotel that really conforms to their desired standard. Additionally, hotel management also benefit from the rating because it helps to improve the quality of the product being offered to the guests. (Brody 2009, 71.)

Just like the diamond ratings, each of the stars has its distinctive characteristics. In a one star hotel, customers can expect a small hotel which is often operated by the owner with a personal atmosphere and basic accommodation services which do not include restaurant service but it is usually within a walking distance. One star hotels are usually located near public transportation and major intersections, whereas, a two star hotel is often part of a hotel chain

that offers consistent quality and limited amenities. A Customer can expect a small or medium room size which is furnished with phone and TV. Although a two star hotel may not have the convenience of room service, customers can still expect a small restaurant onsite. Three star hotels are mostly located near a major expressway, business center and/or shopping area. They offer nice, spacious rooms and decorative lobbies. On-site restaurants may be average in size but will offer breakfast, lunch and dinner. Valet and room service, a small fitness center and a pool are often available in this category of hotel. On the other hand, in a four star hotel, the customer can expect a formal, large hotel, with top-notch service. It is not uncommon to see a four star hotel located in places where there are other hotels of the same caliber clustered nearby. Four stars hotels are strategically located close to shopping malls and places full of entertainment. At the same time, the customers can expect beautifully furnished rooms, restaurants, valet parking, fitness center, concierge and service room service which is above average. In a five star hotel customers can expect a luxurious hotel offering the highest degree of personal service with so much elegance and style rooms equipped with quality linens, VCR, CD stereo, Jacuzzi tub and in-room video. There can also be multiple restaurants on site with extensive, gourmet menus, and room-service which is available 24/7. Additionally, customers can also expect a fitness center, valet parking and concierge service (Enlightenme 2014.) The five-star ratings used to be the highest in the hotel ratings system. However, in the recent years, there has been emergence of the first six-star hotel built in Dubai, United Arab Emirates and some other countries claimed to have seven-star hotels. Due to the controversy regarding the criteria for a six or seven stars hotel, the researcher will like to adopt the five stars as the highest rating of the hotel in this research work.

3 MARKETING OF HOTEL SERVICES

Marketing is an essential element in running any business. Even though it is proven to be an important factor which determines the success of any hotel unit, yet it is a phenomenon which is often taken for granted. This chapter gives a definition of marketing and explains in details the different marketing styles used in the hospitality industry.

3.1 Defining Marketing

A lot of people, including some who have an idea about business and hotel management, do not have a clear understanding regarding the true meaning of marketing. They think that marketing is the same thing as advertising or selling a product to customers. These people are shocked when being told that selling and advertising are just a small part of marketing and the most important aspects of marketing happen before the products are brought into the market. (Kotler et al. 2009, 8-9). Due to this reason, it is important to make a clarification between the daily usage of the word “marketing” and the way the concept is used by marketing professionals.

Kotler, one of the leading authorities in the field of marketing gives a definition of marketing from the managerial perspective as “a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others”. He goes further to explain it in detail by referring to marketing as a process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return. (Kotler & Armstrong 2010, 29.) This definition gives an insight into how marketing managers view marketing. Perhaps, the definition given by the American Marketing association (AMA) will also help to clear some of the misconceptions on marketing and give a deeper understanding to it. According to them “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”(AMA 2013). Cristian Gronroos gives a new perspective to the definition of marketing by laying more emphasis on the customer in his definition. To him marketing is “a customer focus that permeates organizational functions and processes and geared towards marketing

through value proposition, enabling the fulfilment of individual expectations created by such promises and fulfilling such expectations through support to customers' value-generating process, thereby supporting value creation in the firm's as well as its customers' and other stakeholders' processes" (Gronroos 2006, 395–417).

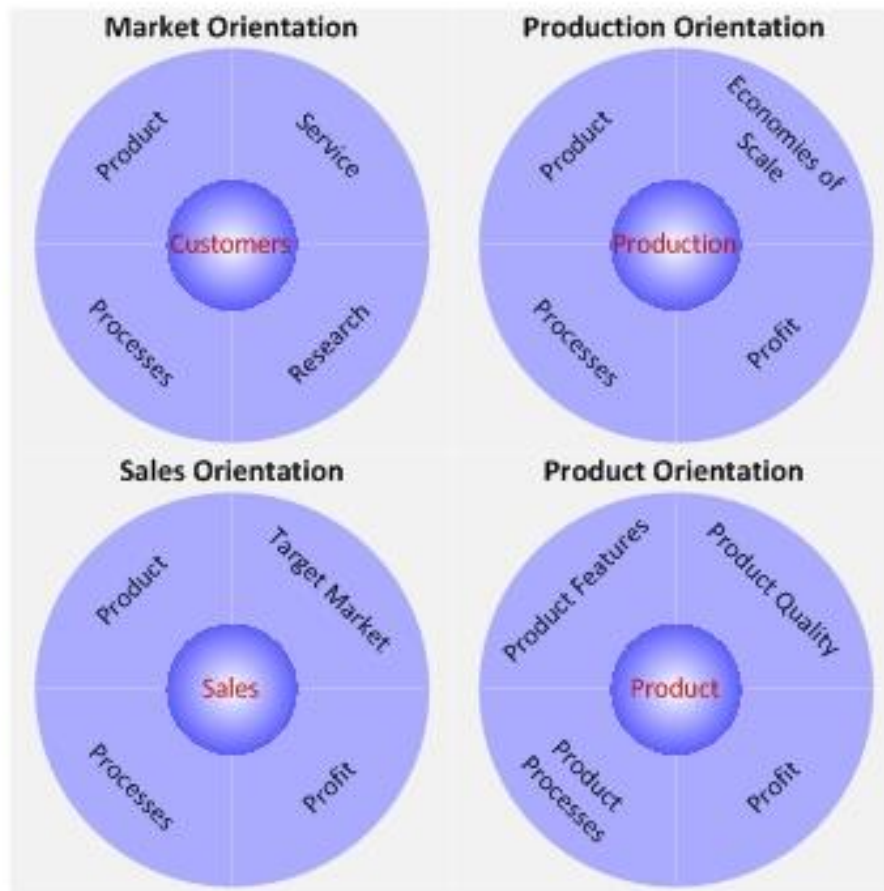
From the definitions above, one can see that marketing is a broad concept that encompasses more than selling and advertising. We can agree that much of decisions relating to marketing are taken before the product or services come into the market. In fact, the goal of marketing is to make selling and advertising unnecessary. At this juncture, it is necessary to write about how it came into the hotel industry in order to fully appreciate its importance in the hotel industry.

3.2 Marketing in hotel industry

Marketing started as a result of economic and business pressure due to a need which arises to focus on embracing a set of managerial measures in order to satisfy customers' needs. The evolution of marketing in the hotel industry is similar to every other industry. The main reason for the marketing in the hotel business is because of the growth in the number of guests who are in need of accommodation and the increase in competitions by the accommodation service providers. Moreover, the hotel industry is becoming a more and more mature market whereby the competition is increasing globally and winning customers becomes a problem. Therefore, there is a huge shift to marketing. (Cooper et al. 2008, 511.)

3.3 Marketing orientations

The concept of marketing orientations often comes up during the process of determining whom priority should be given to when a company makes decisions. Market environment changes over time. Nowadays, most companies consider the customers as the most important factor to which all marketing should be orientated. There are basically many models of marketing orientations. Among the most popular ones are the production, product, sales and marketing orientations. These are explained below:



GRAPH 1: Marketing Orientation

(Adapted from <http://www.learnmarketing.net/orientations.htm>)

Under this type of orientation, mass production is the key. Companies that adopt this type of marketing philosophy believe that if products are produced on a large scale, costs can be reduced while a profit is maximized in return irrespective of demand for the product. In the hotel industry, hotel units that practice this type of orientation believe in having large buildings with many rooms and try to minimize the running costs of the hotel by employing fewer workers, reducing overall costs and the fixed costs of the operation are usually the goal. This was very common in the early 1900.

A product oriented company focuses on making a high quality product with functional features which make it superior to that of the competitors, without making relevant market research to know what the customers need. The company that uses this approach believes that a superior product will automatically sell itself in the market. Applying this philosophy into hotel industry, the goal is to have facilities that go beyond regular to luxurious facilities with the hope that guests will automatically embrace the hotel product since it is superior to the ones provided by the rivals. The shortfall of using this approach is that the outcome of it is not guaranteed since it is not known whether or not the guests wanted the product.

A sales orientated company makes products without much research whether or not the product is needed in the market place. This marketing orientation is built around the philosophy that customers will not buy a product or service unless they are persuaded to buy. Companies that use this approach spend a lot of money on advertising and promotion. The goal is to make sure that they sell their product irrespective of what the customer or the market really needs. A sales orientated company believe that an aggressive sales method is the key to success in business.

A marketing orientated company focuses all its business activities on satisfying the customers' needs. A company that adopts this approach usually considers the customer the king and its primary goal is to deliver value to its customer. To achieve this, the company spends a lot of time and researches how to meet the needs and expectations of the customers. The customers are the center focus during product development as well as when implementing the company's marketing strategies. The application of market research on a continuous basis gives companies of this type a marketing edge in understanding the needs of the customer. Moreover, they are able to establish a positive relationship with the customers and get feedback concerning the customers' satisfaction with the product. This helps in improving and inventing new products as the market changes.

3.4 Segmentation of the hotel market

The hotel industry is one of the most diverse and dynamic industries in the world. In order to understand the customers, it is necessary to divide the whole market into subsets.

“Market segmentation is the process of dividing the total perceived market into subsets, of which each of the potential customers have characteristics in common, which lead to similar demand needs for a product or service” (Cooper et al. 2008, 565-569). Since the main reason behind marketing is to find a way of satisfying customers’ need in a new or better way, dividing the market into different segments will allow the hotel to focus on the segment that provides the best opportunity for its product and services. Successful hotels recognize that the taste and preferences, needs, lifestyles, family size and composition of guests differs from one another and are able to follow a policy which increases market demand for their products by focusing their marketing efforts at a sub-group of customers. Sometimes the hotel might need to choose more than one segment to concentrate on. For example, the needs of a family to book a hotel room is different from that of a business person who comes to the city for business purposes. In the case of a business person the hotel will need to ensure that there are phone services, internet connection for the guest. Creating a niche within a market segmentation helps the hotel to have focus on the market segment and be able to fully deliver the benefit of the product to the customer. (Morrison, Rimmington & Williams 1999, 165 - 168.)

If the aim of marketing is to influence demand, then knowing more about the current customers as well as prospective customers will be the key to effective marketing campaigns. To put it in other words, the more a company knows about its core customer the better it will be able to create value that meets their needs and also put into use marketing efforts that are needed to influence the purchasing decisions of such customers. (Middleton et al. 2007, 97.)

The importance of market segmentation cannot be overemphasized. It helps the hotel to divide the total market and identify the needs of the sub-group. Segmentation is the first step taken when engaging in a marketing process that involves developing products that meet the need of the customers. When a product meets the customers’ needs and expectation, they will usually come back for more and more. This will definitely result in a good relationship between the hotel and its customers. Moreover, it is necessary to divide the market into different groups and subgroups when setting the market objectives. Having a deep knowledge about the target customer for the company’s product helps in planning, setting the budget and controlling the marketing activities. (Middleton et al. 2007, 97.)

There are different views surrounding the concept of market segmentation, some marketers believe that the variations in strategy and tact from one segment to another will cause the market behavior and response to change. Others think that a company should only make marketing policies and techniques for each of the segments which the company decides to focus on. Whichever view one has about the subject of segmentation in the hotel industry, the ultimate goal remains the same; combining various hotel services and market appeal to fully satisfy the need of the guest in the best possible way. (Jha 2010, 55.)

As already noted above, there are various techniques that can be used in segmenting the market. One of the leading authorities in marketing, Kotler, identifies four bases for the segmentation of the consumer market. These include; geographical, demographic, psychographic and behavioral segmentation



GRAPH 2: Market Segmentation

(Adapted from: <http://biznology.com/2014/03/jump-start-your-content-marketing-through-better-market-segmentation/>)

According to Kotler, the demographic segmentation which includes variables such as the age, gender, education, occupation, income, ethnicity, nationality, race, and religion of the customers is one of the common ways of dividing the targeted market because it is closely associated with customers' wants and needs and it can be easily measured. (Kotler et al. 2009, 342.)

Psychographic segmentation focuses on measuring a guest's mental attitudes and psychological make-up. In other words, psychographic segmentation uses psychological attributes to determine the behavior pattern of the customer. Many marketers use this to learn more about the customers' lifestyle and attitudes. The rationale behind the division of customers into this segment is the belief that customers with common values tend to have similar purchasing patterns. A hotel can obtain psychographic information by using surveys and questionnaires to ask questions about the target market's interest and opinion on some particular activities. Sometimes it may be necessary to draw up multiple questions and the customers can be requested to make ratings. Nowadays, the task has been made easier with the development of many computer software programs which help in accessing the result of the questionnaire and categorizing the customers based on their response to the survey. (Middleton et al. 2007, 111; Kotler et al. 2009, 349.) A lot of marketers have suggested three major variables that can be used in developing psychographic profiles; the activities, interests and opinions of the customers.

Another way of segmenting the hotel market is by considering the geography when grouping the customers. The group can be divided based on the customers' countries, states, regions, municipalities or cities. The company can then focus its operations on one or more units within the segmentation. A company can also use mapping software to show the geographical location of its customer. There are various approaches to using geographical segmentation in analyzing the target market. Some approaches combine geographical segmentation with demographic segmentation in order to have a better description and understanding of the customers. (Kotler et al. 2009, 341.)

Marketers use behavioral segmentation to divide the market based on the customers' pattern of behavior. Behavioral segmentation is usually based on the benefit the customers seek to get from using a product, how they use a product, spending pattern, and their loyalty to a

certain brand. In the hotel industry, it can be based on the frequency at which a guest travels or uses hotel services. For instance, a business traveler may use hotel rooms and services for fifteen times or more in a year whereas a leisure traveler or tourist may only travel once or twice in a year. Knowing the behavioral variable may be helpful to the hotel in planning their services to enhance the experience customers get from lodging with them. (Middleton et al. 2007, 106.)

Having discussed what market segmentation is within the hotel industry, one may tend to argue about its usefulness in the hotel industry. A simple answer to this is that the process of segmentation makes the hotel work easier. The task of knowing what the targeted customer wants or expects from the hotel is simplified by market segmentation because it allows hotel management to design sensitive marketing which is flexible enough to accommodate the changes in the market environment. Furthermore, it is difficult to have two guests that have exactly the nature and character, however, it is still possible to find some similarities among them concerning their needs or expectations of hotel services. The concept of market segmentation allows the hotel to identify customers with similar needs and make effective business decisions. (Jha 2010, 57.)

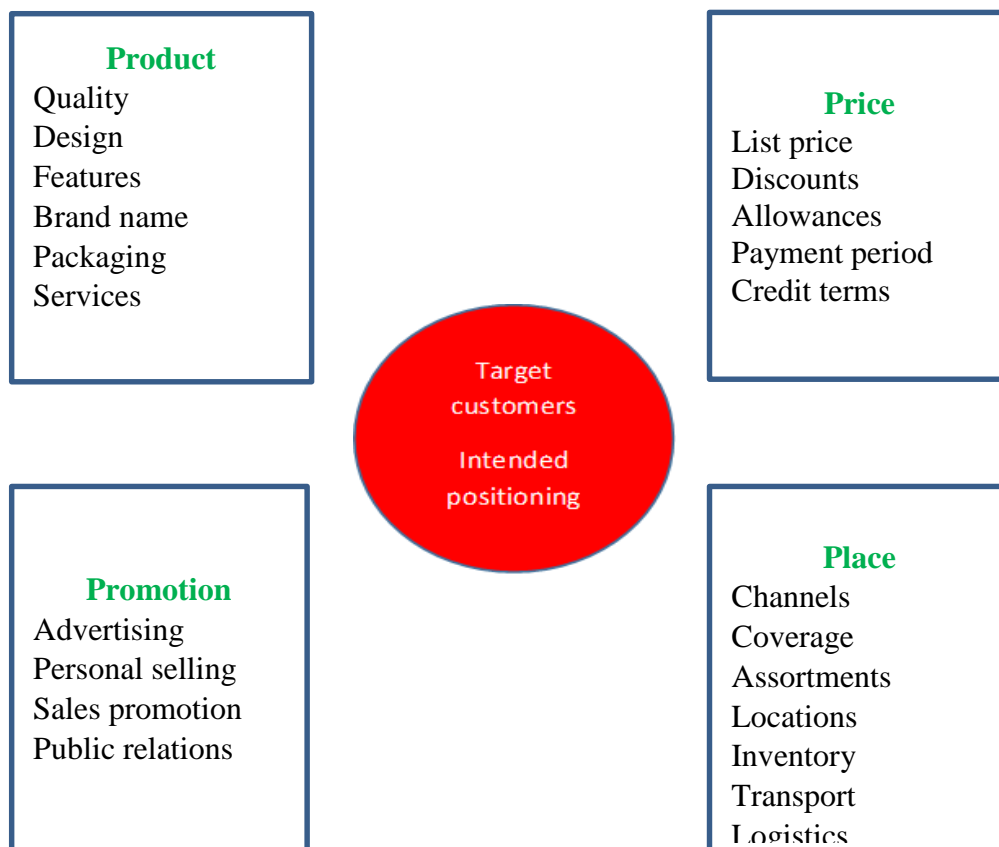
3.5 Market positioning of hotel services

Marketing of hotel services cannot be discussed without mentioning market positioning. According to Kotler “positioning is the act of designing the company’s offerings and image to occupy a distinctive place in the mind of the target market”. The rationale of positioning hotel services is to create a brand in the minds of the customers so that the company can maximize the benefit it’s derived from the customers. Positioning a product in the mind of the customers also helps the hotel in differentiating its product and services from that of its competitors. Much of the emphasis of position is based on what the guest will receive or benefit by lodging in the hotel or using its services. Of course, the ultimate goal of positioning is to have a win-win situation whereby both hotel service provider and the guests can benefit from the transaction. In order to achieve effective and efficient positioning, it is a prerequisite that the hotel is able to identify the target market, its competitors and the ideal points-of-parity and points-of-difference brand association. (Kotler et al. 2009, 361-362.) Once the hotel’s product and services have been positioned in the right place within the mind

of the target customers, the hotel can make the right investment in utilizing its resources and skills in the market place. That is, the right product or service is placed on the market at a cost effective price (Kotler et al. 2009, 374.)

3.6 Hotel marketing mix

Marketing mix refers to a combination of a number of elements which is made into a workable program to make a whole. It comprises of various factors that influences marketing efforts. The primary marketing mix includes the four P's of marketing (product, price, place, promotion). Three additional P's (people, physical evidence, process) were later added to the initial 4 P's to form the extended marketing P's. The researcher will stick to the 4P's of marketing because they were the ones that are widely used and accepted by marketing professionals. The figure below shows the 4 P's of marketing mix.



GRAPH 3. The Four P's of the marketing mix

(Adapted from: <http://business-fundas.com/2011/the-4-ps-of-marketing-the-marketing-mix-strategies/>)

The product refers to the goods and services combination the company offers to the target market. In the hotel industry, the product includes the physical attributes of the room offer to guests as well as the other auxiliary services. The hotel products are so unique and differ from commodities products in the sense that there is no transfer of ownership of the actual product (room) to the guest. Rather, the product is consumed or rented in the location of the hotel. Hotel management need to pay attention to top formulation because the success of the hotel as well as its marketing largely depends on a product that suits the changing needs of the guests. Studying the existing market conditions will help the hotel management in product development. It is needless to say that the hotel management needs to be aware of the changes in lifestyle in society so that they can innovate or upgrade their services in time.

The price is the actual amount of money that customers have to pay in order to obtain the product. Due to the seasonality and perishability of hotel products, it is important that a hotel sets the right price for its product to ensure high occupancy rate. In a situation where the customer considers the price to be too expensive there is a high tendency of the customer switching to the product of the competitor or searching for an alternative accommodation option. At the same time, if the price is too low, the probability of the hotel running on losses will definitely increase. The pricing decision is one of the most difficult decisions to make when it comes to hotel business. There are different types of pricing systems which a hotels usually adopts. These range from cost-oriented pricing to demand-oriented pricing. There is a huge difference between these two pricing systems. The demand-oriented pricing actually considers the demand for the product before the price for the product is fixed. Examples are discrimination pricing, backward pricing, psychological pricing, market penetration pricing and skimming pricing. On the other hand, cost oriented pricing considers the cost of making or purchasing the product as the most important element when fixing prices. Under this pricing system, additional money is added to the cost of the product to make the selling price. An example includes cost-plus pricing and rate of return. (Cooper et al. 2008, 589-592.) When deciding on the best pricing policy to adopt, hotel administration should know that there are other factors such as the quality of the product, season of the year, brand name affecting the perceived value of the hotel product.

In the hotel industry, the place usually refers to the location of the business as well as the distribution channels used in marketing the hotel services. The location is an important factor

to consider when setting up a hotel unit, since no actual product is distributed to the prospective customers and the only clue is given about the product via communication with the guests. Furthermore, a well-located hotel is able to pick up passing demand, making the hotel easily accessible to guests. Although some people may argue the fact that the hotel services cannot be placed on shelves like other commodities the distribution channels do not affect the overall marketing outcome as much as other marketing mix elements. However, this is not true at all. Many of the successful hotels that truly know the role of distribution channels in marketing are creating points of sales within and outside their hotels. We cannot deny the fact that continuous development of CRSs (computers reservation systems) and GDSs (Global Distribution Systems) such as Amadeus, Galileo, Sabre and others, has brought tremendous changes regarding the distribution of hotel products. Nowadays, agents have real-time access to check the availability of hotel rooms and make bookings on behalf of guests. (Cooper et al. 2008, 601-604.)

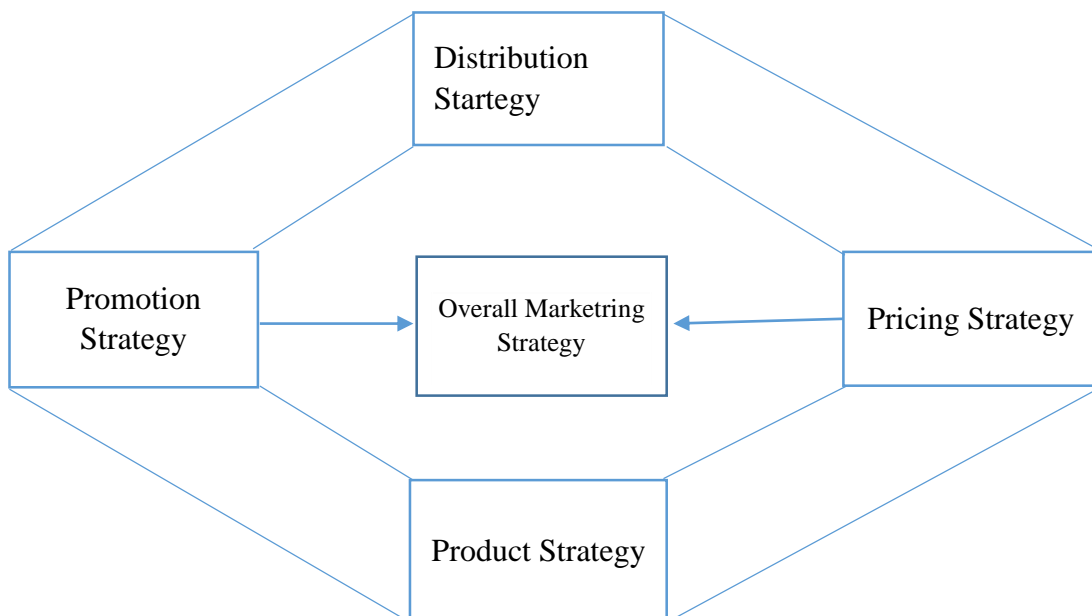
Promotion refers to all activities by the company that communicate the merits of the product and persuade target customers to buy it. Different promotional strategies, such as advertising, personal selling and public relations can be used to ensure that the customer buys the product. (Kotler & Armstrong 2010, 77; Cooper et al. 2008, 557–605.) When it comes to promoting hotel business and hospitality industry generally, advertising is found to be effective in promotions. However, the advertisement has to be well planned by ensuring that the right message is being conveyed, the right channel being used and a suitable place is selected for the advertisement.

Finding the right balance for a marketing mix is a big challenge to many companies. Hotel administration needs to put many factors into consideration when setting the marketing mix. Sometimes a hotel may need to select more than one mix because marketing mix is only a tool for achieving the overall goal and objective of the hotel. Since creating the right marketing mix strategies requires a lot of planning, hotel management should ensure that the mix adopted is flexible enough to adapt to the future changes in the market (Cooper et al. 2008, 565.)

3.7 Market Strategy in Hotel Industry

The hotel industry is so competitive that it requires the hotel to formulate a dynamic mechanism which can adapt to the changes in the market environment, the competitiveness of the market as well as the economic climate. The ultimate goal of having a marketing strategy is usually to identify opportunity to serve the market in a way that is profitable and effective enough to the extent that it becomes difficult if not impossible for another company to take up the venture without running into losses. Some authors believe that at the initial stage of starting a hotel business, the hotel will not make a profit, even in the second year the hotel will only break even and the hotel may start to make a little profit from the third year. On the other hand, other marketers in the hotel industry think that the hotel can start to make a profit immediately from the first year of entering into the industry if the right marketing strategies were used.

An hotelier that wants to achieve success needs to have a deep understanding of marketing and how to combine various marketing elements such as the price, product promotion and distribution.



Graph 4. Overall Marketing Strategy

(Adapted from: Jha 2010, 264)

The above graph is a representation of the entire marketing strategy of a hotel. A hotel needs to use different combinations of various inputs such as advertising marketing channels, personal selling, and advertising and so on to get the desired return on investment. It is common to see society changes in its value and needs so hotel marketers also have to change the overall marketing strategy to fit the changes in society. (Jha 2010, 261.)

3.8 Digital marketing in hotel industry

Digital marketing is a term that is used to describe the use of ICT (information and communication technology) in marketing. In the hotel industry, digital marketing includes the use of internet-based marketing as well as other kinds of activities that are based on digital technology such as email, phone communication, and interactive digital television. Nowadays, digital marketing is becoming an integrated and vital part of marketing activities (Kotler et al. 2009, 118). There are several ways through which digital marketing is conducted by hotels. These ways are referred to as digital marketing communication.

3.9 Digital marketing communication channels

Digital marketing communication is the communication and interaction between a hotel and its guest using digital channels and information technology. (Kotler et al. 2009, 124.) Some of the noticeable communication channels are explained in the paragraphs below.

3.9.1 Email marketing.

Email marketing allows a company to establish and maintain communication with their customers. Email marketing has evolved beyond sending mass messages to multiple customers at the same time. Companies have made an interesting distinction between mass emails (spam) and direct email to customers based on their relationship with them. Many companies that use email marketing have come to the realization that a lot of customers are irritated

when they get messages which are irrelevant to them, therefore they have been sending messages based on their understanding of the customers and what their taste is (Kotler et al. 2009, 29.)

3.9.2 Viral marketing

Viral marketing is an internet adaption of marketing using the word-of-mouth effect. It is actually an advertising message spread by customers among other customers. In today's age, the way people communicate and share information with each other has changed compared to what it used to be about one or two decades ago. Many of the changes are due to social networking (Kotler et al, 2009, 131.)

3.9.3 Word-of-mouth

Word-of-mouth refers to direct communication between one or more customers on a particular product or services. Traditionally, word of mouth is usually considered to be interpersonal communication (face-to-face) however the technology has made it possible for customers to communicate electronically with one another. This is called electronic word-of-mouth (eWOM). One of the reasons why companies prefer to use eWOM as a marketing channel is that customers consider it to be more credible since it's provided by individuals who have no direct marketing interest about a company or its products.

4 THE ROLE OF MARKETING IN HOTEL BUSINESS

Marketing plays a vital role in the success of any business organization. Since all aspects of the business depend on successful marketing, it is difficult to highlight all the roles which marketing plays in a company. However, for the purpose of this thesis, some of the major impact of marketing will be highlighted in the following paragraphs.

Marketing helps in building a company's brand name and placing the company's product or service in the heart of prospective customers. In the hotel industry, the success of any hotel often depends on good reputation. As the reputation of a hotel grows bigger within society, more customers will lodge in the hotel, thereby making the hotel's room occupancy rate increase and generate more income to the hotel. Additionally, it is fair to say that marketing really helps in the aspect of branding as it creates and supports effective communication within and outside the hotel unit.

Effective marketing campaign gives a company an edge over its competitors. A business may offer the best product in the market, but without a good marketing campaign, it will not generate the desired returns on investment because it is marketing that makes the product or service known to prospective customers.

A good marketing campaign helps a company to efficiently manage its resources. When an effective and efficient marketing strategy is adopted in a company, resources wastage is reduced if not eliminated. The hotel industry is an industry with perishable products, in other words, if a room is not occupied during a particular period, the income that is supposed to be realized on that particular room is lost forever and it cannot be regained. Efficient marketing helps in ensuring that the hotel has a high occupancy rate at all time.

Marketing helps to ensure that a company's income increases. As more people get to know about a company's products or services, the company's share of the market increases as well as its sales revenue.

4.1 Jakobstad in brief

Jakobstad or Pietarsaari as it is called in Finnish, is a city located in Western Finland, precisely by the Gulf of Bothnia. The city was founded in 1652 by Count Jacob de la Gardie after obtaining the right from Queen Christina of Sweden, to found a town in the parish of Pedersöre. Since the founding of the city, the refining of wood, building of ships, exportation of tars, pitch and products from sawmills became the major key industrial activities among many others. At the beginning of the 20th century, the city was already an industrial town with expansion in the pulp and the plastic industry (from www.jakobsatd.fi).



GRAPH 4: Map of Finland highlighting Jakobstad

(Adapted from: <http://datab.us/i/Jakobstad>)

As already mentioned above, Jakobstad is a small city with about 19562 inhabitants as per June 2015. The city is a home to a number of hotels and hostels; Hotel Epoque, Jugend home hotel, Hotel Vega, Hostel Lilja and Pietarsaaren Kaupunginhotelli among others.

4.2 Abuja in brief

Abuja is the capital of Nigeria and was created in 1991. It is located in the center of Nigeria within the Federal capital territory (FCT). The state covers an area of 713 km² (275 sq. mi), it is the 5th largest urban area in Nigeria, with a population of 1,405,201 based on the 2006 national population census (from <http://services.gov.ng/abuja>).



GRAPH 5. Map of Nigeria highlighting Abuja

(Adapted from: <http://www.cs.mcgill.ca/~rwest/wikispeedia/wpcd/images/0/14.png>)

Abuja is a state blessed with abundant tourism resources. The state is also filled with many important activities and functions which make people from other parts of the country, as well as abroad, visit for a variety of purposes including economic, social, and religious to politics. This explains the reason behind the rise in need of hotels within the city. Moreover, this state is home to hundreds of hotels ranging from small and medium scale hotels to multinational chain hotels. There are also varieties in the standard of the hotel, this ranges from one star hotels to very luxurious hotels. Among the popular ones are Sheraton Hotel, Casalinda Hotel & Gallery Resort, Tranquil Mews Hotel and Petrus Hotels Royale.

5 RESEARCH METHOD AND ANALYSIS

This chapter focuses on the research method used during the course of writing this thesis, the planning process as well as the target group.

5.1 Research method

Methodology refers to the procedures used to collect and interpret information on some subject. It is used to refer directly to the tools or procedures- the methods- a researcher uses. (Smith 2010, 109). There are many ways to collect data. Among the most common ones are the qualitative and quantitative method. The distinction between these two methods is explained below:

In quantitative research methods statistical tools are used to analyze data and draw up conclusions based on the analysis. Data can be collected through observation which involves counting in numbers, use of questionnaire surveys and some other secondary sources. Under this research method, statistical tools such as SPSS and other computer application programmes are used to analyze the data before the conclusions are drawn (Veal 2006, 40.)

5.2 Qualitative research method

The aim of the qualitative research method is to gather qualitative information about a subject rather than numerical information. It usually focuses on getting much information on a small sample rather than concentrating on a large population. This approach utilizes observations, interviews, and participant observation in collecting data (Veal 2006, 40.) The Qualitative research method provides a means of assessing unquantifiable facts about a research object. By using qualitative research techniques, a researcher is placed in a better position to understand other people, especially their views and experience of their lives. (Berg 2009, 60).

The qualitative method is used for practical reasons, especially, in situations where the views and opinions of people involved in a situation are considered to be more important. Moreover, the qualitative method gives room for flexibility in such a way that there is little or no constraint imposed by the researcher on the situation being studied. This method of data collection is usually justified based on the fact that the people directly involved in a situation are in the best position to tell their experiences, feelings, views and opinion on the situation without being limited by the constrain imposed by the researcher due to the researcher's framework. (Veal 2006, 193.)

An interview is simply a conversation with purpose, which is aimed at getting information. In-depth interview is one of the methods that is used in qualitative research to collect data on a particular study. This method is unique because of its length, depth as well as the way it is usually structured. Sometimes it involves interviewing people more than once in order to get a detailed answer on a particular subject or question (Veal 2006, 197). There are various ways of conducting interviews, these are explained in the paragraphs below.

Structured or formal interview is the type whereby the researcher has a list of interview questions which have been formally structured and the subject is required to answer each of the questions. It is important for the researcher to be familiar with the topic and have a clear goal on things to uncover during the interview. Furthermore, the questions of the interview have to be clear and structured in a way that there will only be one meaning to each question and all the interviewees can understand it equally. (Berg 2001, 69.)

The unstructured or informal interview is in contrast with the structured interview, in the sense that it does not require a scheduled list of questions prior to the interview. However, for an unstructured interview to be successful, the interviewer should be able to develop, adjust and generate questions in such a way that suite the main purpose of the investigation. In other words, relevant questions should be asked. This type of interview is useful, especially in a situation where the interviewer does not know much about the respondents' lifestyles, creeds, traditions and other similar attributes. It is occasionally used in field research to complement the field observations by asking participants questions which enable the researcher to know more about things which are yet unclear, during and after the observation. One of the advantages of using this interview method is that it is very helpful in establishing rapport with the respondents during the interview. (Berg 2001, 69-70.)

The semi structured interview is somewhere between the structured and unstructured interview method. Under this method of interview, a predetermined number of questions is made before the interview. These questions are usually arranged in a systematic and consistent order. A semi structured interview allows the interviewer to digress from the predetermined schedule and probe the respondent more in order to get detailed information (Berg 2001, 70). A semi structured interview uses a flexible approach to get answers from interviewees. It allows both the interviewer and the interviewee to adjust to the situation. The interviewer can adjust the questions to ensure that the interviewee has a good understanding of them before answering. At the same time, the interviewers can probe further if they are not satisfied with the answer from the respondent. (Goeldner et al. 2009, 516–517.)

5.3 Method of data collection

The data for this research is obtained through the qualitative research method, in-depth interview of managers in the hotel industry.

The primary data for this research was collected through a face to face interview as well as telephone and internet (skype) interviews of hotel owners and managers. The rationale for using this method of data collection is that it provides the best possibility to get detailed information from the professionals in the field of hospitality. The reason for choosing a semi structured interview is to make sure that the response from the interviewee is relevant to this research and stays within the scope of the research topic. Furthermore, the data collection method allows the respondents to freely express their views and opinions on the research questions.

Due to the complexity of the research topic, the researcher selected six successful hotel businesses as case studies. The assumption was that this will enable good comparison and objective conclusions from the responses gotten from the interviewees. At the beginning of this research, the researcher planned to interview as many as possible managers and staffs in the selected companies which were chosen as the case study. However, due to the time schedule of the research, only one manager was interviewed in each of the companies.

On 15 March 2015 the researcher sent a mail to the hotel companies and asked if he can book an appointment for an interview. Some of the hotels responded within two working days. However, a few numbers of the hotels hesitated and said they were busy at that time and it was not possible to grant the interview.

5.4 Analysis of the research interview

As already mentioned in the previous section, the research interview was conducted with professionals in the hotel industry. In total, 6 interviews were conducted of which three interviewees were in Jakobstad, Finland while the remaining interviewees were in Abuja, Nigeria. The findings, analysis and conclusions for this study will be based primarily on the information provided by the interviewees. The rationale behind this is that the professionals are in the best position to give their opinions on the happenings in the hotel industries. The interviews from Abuja are labelled A, B and C while the ones from Jakobstad are labelled D, E and F respectively.

Theme 1 was about the opinion of hotel managers on the contribution of marketing to their hotel business and to the hotel industry in general. This question was asked in order to find out whether or not marketing makes any significant impact in the hotel businesses. All the interviewees bared their thoughts on the question. Interviewee A was of the opinion that marketing made a tremendous impact in the hotel industry. He buttressed his point by taking their hotel as an example and explaining that everything they do has been influenced by their marketing strategy. Among many other things he mentioned was the fact that marketing has helped them in understanding their customers' need and focusing their hotel resources (products and services) to satisfying those needs. Interviewee B had a similar view with interviewee A, he revealed how marketing has helped their hotel in the human relation department and in positioning their hotel brand in customers' minds. Interviewee C on his part confirmed how marketing has provided their hotel with sustainable growth and incorporating marketing deeply into their business had helped in other departments of their hotel. Meanwhile, interviewee D believes that good marketing is crucial if a company wants to create and maintain an image to the public. Interviewee E talks about the importance of marketing in maintaining competitive edge in the hotel industry. Interviewee F shares an insight into how marketing

has changed their hotel business since they started some years ago, she ended her response by saying that marketing means everything to them.

The above analysis confirmed the importance of marketing in the hotel industry. Taking a closer look into all of the responses, one will find out that they all share some similarities in one way or the other. It is also of great importance to point out that the interviewees from Africa share almost the same opinion on this question with their counterparts from Europe. Therefore, we can come into conclusions that irrespective of the place where the hotel situated, marketing plays a vital role in its development.

Theme 2 discussed the benefits which customers derived from marketing activities taken by the hotels. Interviewee A was of the opinion that the customers truly benefited from the marketing activities which the hotel uses. He based his statement on his experiences as a hotel manager for many years. He emphasized the importance of marketing in identifying the taste and preferences of the customers and in meeting up with their expectations. Interviewee B also made a response that was in line with what interviewee A said. Interviewee B on his part used a practical illustration that demonstrated how the customers gain from marketing. He further argues that marketing actually reduces both fixed and overhead cost in hotel business and due to this reasons, customers pay less for quality services. The responses from interviewee C buttress the importance of marketing to the customers, the interviewee talked about several ways through which marketing facilitates the development of varieties of hotel products and services that meet the need of the customers and hotels need to have the customers as the center focus of their business operatives. Interviewee D on her part talked about how marketing helps in bridging the gap between the hotel and the customers and how it helps them in creating offers that benefited the customers. She believed that establishing a good relationship with the customer is the basis of hospitality and marketing helps in this aspect. Interviewee E's response was a little bit different from the previous ones in the sense that he gave insights to the question from the customers' perspective. Even though he was a hotel manager, yet his response was of immense value in understanding the ways customers gain from marketing. He believed that the benefits that the customers derived from marketing should not only be based on monetary terms, he argues that customers derived other benefits from marketing which might not be quantifiable in terms of money. He went further by giving an example of how good marketing helps the customer in time management. Interviewee F on his part stated that the main goal of hospitality industry is to

create special experience to the customers and make them feel special away from their regular homes:

“I will like to say that marketing put us on our toes on a daily basis. Of course, it provide us the medium through which we can communicate and provides information to our customers. However, such information has to be accurate because customers now has the possibilities to verify and if they found out that such information is not true, we will lose them instantly. What I am saying is that the customers benefit from our marketing because they can now enjoy top quality of services at a reasonable price”.

From the above analysis it can be concluded that the customers truly benefit from marketing. Although one may argue that the intangible benefits do not count so much, it is good to realize that the level of importance placed on each of the benefits that a customer derives from marketing depends on the actual customer in question. Taking business travelers for instance, they will prefer the time saved in finding and booking a hotel due to quality information made available by marketing, whereas a tourist may have a preference for saving cost on hotel room.

In theme 3, the professionals were asked to give their opinion on the future marketing in the hotel industry. This question was asked in order to get an insight into the future development in marketing and on how the hotels are prepared to deal with the changes.

Interviewee A gave his take by saying that he believed that the future of marketing in the hotel industry is very bright. He stated that digital marketing is going to be the future of marketing and the need for hotel operators to be aware of the new trend and prepare for a response. H talked about foreseeing situations whereby software and gadgets that facilitate marketing will be developed in the future. The response from interviewee B is very similar to A. He also reemphasized on the need for the hotel owners and managers to pay more attention to the new trends in marketing in order to have an effective and efficient marketing campaign. Interviewee C reflected on when they started their hotel business a few years ago and how things were at that time. He believed that marketing has changed from what it used to be and it will continue to change in the future. At the same time, he is of the opinion that the need for marketing in the hotel industry will not diminish rather it will continue to grow. Interviewees D and E gave responses that compliment the previous interviewees' response. Both of them believed that the hotels need to pay attention to changes in technological world

because it correlated with the changes in marketing. Interviewee F talks about how the changes in the marketing over the past decades have impacted in hotel business and he believes that marketing will continue to occupy an important space in the hotel industry in the future.

The above analysis confirmed the importance of marketing and how it will continue to impact on the hotel industry in the future. However, comparing the interviews from the two countries where they were conducted, one will notice a little difference. These differences are accounted due to the fact that Abuja is a state in a developing country (Nigeria) and as such it is not uncommon to find out that the level of technology in the country is not yet fully developed. This also reflected on the way business is conducted in the country, especially on the marketing approach and channels adopted by the hotels. On the other hand, Jakobstad is in a developed country (Finland). Nevertheless, all of the interviewees recognized the importance of marketing and its future impacts on the hotel industry.

5.5 Findings

The study examined the role of marketing in the hotel industry, with six hotel units selected as the case study. The purpose of this research was to find out the impact of marketing on hotel businesses. The following paragraphs show the various findings based on the in-depth interview of the hotel managers.

The research conducted showed in the interviews with the hotel managers that marketing plays a significant role in the hotel industry. It can be deduced that most of the hotels rely on marketing in almost all of their business operations; to them marketing encompasses more than just creating awareness of their products and services, rather it is a whole process that involves everything they do; from the research and development, human resources, to their accounting and finance.

While many of the hotels recognized the importance of marketing as a bridge between themselves and the customers, not all of them have yet fully incorporated marketing into their operations. Some of them are contend with their current investments in marketing and they are hesitant to take it further.

This research also revealed that many small and medium scale hotel owners that do not have a lot of resources to invest in marketing, prefer to partner with other companies that provide some marketing and booking services. This group of hotel owners believes that is one of the cheapest ways of running business without accumulating much cost on marketing. However, few of the hotels are of the opinion that creating and developing their own marketing channels will enable them to have total control over their business and ultimately benefit them more in the long-run rather than relying heavily on intermediary companies.

The research also revealed that the level of importance placed on marketing by hotel management varies from one hotel to another but depends largely on how they perceived their business environment. In a situation whereby there are numerous hotels in a city, in which the customers can make choices, the hotel managements considered marketing to be a top priority to their business success. On the other hand, in locations where there are relatively few hotels, the hotel managements' attitude towards marketing is more relaxed. However, one thing that is common to all of the hotels irrespective of their location and proximity to each other, is that they all believe that marketing is the key to maintaining their share of the market.

This research also revealed that the marketing approaches adopted by hotel managements change with time. It is a known fact that customers' taste and preferences change with time so does the way hotel management approaches marketing.

Lastly, this research indicates that there is remarkable growth in the digital marketing of hotel products and many hotels have come to the realization that the changes in the technological landscape have a huge influence on the hotel industry. As a result, many of the hotels are looking towards the direction of building and developing their online presence.

The paragraphs above are a summary of the findings of the interviews conducted with the hotel managers. It can be seen that marketing plays an important role in hotel business and in the development of hotel industry. Therefore, marketing can be considered the lifeblood on which hotel industry relies on.

5.6 Reliability and validity

Checking the reliability and validity of any research work is of great importance, this is due to the fact that both the researcher and other stakeholders will know to what extent they can rely on the information and findings which are presented at the end of the research.

A research is considered reliable if similar findings can be arrived at when the research is re-conducted at a later date irrespective of the time and the place where the research is carried out. Until recently, the concept of reliability in research was only used in regards to quantitative research methods. However, it's now being applicable to all forms of research methods. The quality of any research work depends on the quality of its information. In a qualitative research, the reliability can be evaluated through a number of criteria which include but are not limited to: the interviewees' knowledge on the subject matter, the neutrality of the questions being asked during the interview and the trustworthiness of the interview report.

The validity is the extent to which the information gathered by the researcher truly reflects the phenomenon being studied (Veal 2006, 41). It is quite difficult to measure the validity of a research in which the empirical study has to do with people's attitude and behavior and information about these. The interview conducted serves as the basis for the validity of this research work. In order to further boost the validity of this research, the interview was conducted on two different continents, precisely, in Africa and Europe. This was to allow comparison of the interviewees' response in relation to the subject matter. Although one might question the number of interviewees, the justification for selecting a small number of interviewees is to have an in-depth interview which allows for full presentation and analysis from which accurate findings and conclusions can be drawn. Furthermore, the interviewees have immense knowledge in their field and the quality of the information provided by the interviewees was of great importance in reaching the conclusions for this research.

The interview for this research was extensively conducted. It was objective in the sense that it was non-biased. Moreover, the interviewees have many years of experiences in hotel administration. As a matter of fact, two of the interviewees have over 30 years of experience in managing hotels while the rest of the interviewees have more than 10 years of experience each. Furthermore, the interview questions were given to the interviewees prior to the date

of the interview so that they could familiarize themselves with them before the actual interview took place.

6 CONCLUSIONS

This research has shown that marketing plays a significant role in the hotel industry. Based on the research findings, it is concluded that marketing plays a crucial part in any hotel outlet and in the hotel industry as a whole. As a result of that, hotel owners and managers who want to be successful in the hotel industry should pay great attention to marketing.

Furthermore, the investments in marketing by hotel management should be well coordinated in such a way that other aspects of the hotel business are also put into consideration when marketing decisions are being taken. In other words, marketing should be integrated with Research and Development, Finance, and Production to mention but a few.

Since marketing creates a platform of bridging the gap between a hotel and its customers, it is important that a hotel as a company ensures that the right messages are passed across to the customers with its marketing campaign. Furthermore, the ultimate goal of marketing should be the facilitation of a win-win situation between the hotel and the customers. The hotel management should adopt the most effective and efficient marketing strategies that serve the interest of the company without jeopardizing the interest of the customers.

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APPENDIX

Interview themes for Hotel Professionals

Research: The role of marketing in Hotel industry. Case: six successful hotels in Jakobstad, Finland and Abuja, Nigeria.

Interview type: Semi-structured Interview

- ❖ **Theme 1:** Based on your experiences in managing hotel outlet, how has marketing contributed or impacted on your hotel unit?”

- ❖ **Theme 2:** In what ways do you think customers can benefit from marketing

- ❖ **Theme 3:** what do you think about the future of marketing in relation to the hotel industry?