

Sales and Marketing Management

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Course & Class Information

Course: Sales and Marketing Management in Hospitality and Tourism

Program: Master's in Business Administration (MBA) (*adjust if different*)

Credits: 7 ECTS

Mode: Onsite / Blended

Class 1: Foundations of Sales and Marketing in Hospitality and Tourism

Instructor: Dr. Leul Girma

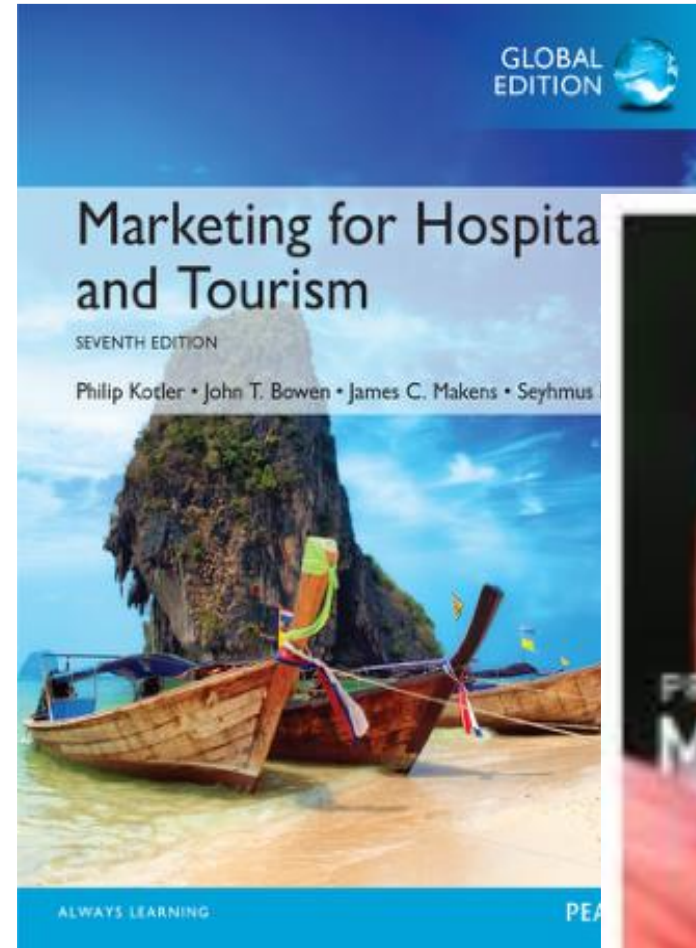
Main Teaching & Learning Materials

Books

- Kotler, Bowen & Makens — *Marketing for Hospitality and Tourism*
- Jobber & Ellis-Chadwick — *Principles and Practice of Marketing*

Academic Journal Articles

- Journal of Hospitality & Tourism Research
- International Journal of Hospitality Management



Objective and Learning Outcomes

Objective:

To introduce the **foundational concepts** of sales and marketing within the hospitality and tourism sectors, emphasizing **customer value creation, market orientation, and the strategic role of commercial activities in driving organizational performance.**

By the end of this class, YOU will be able to:

- Explain the strategic role of sales and marketing in revenue generation
- Describe how customer value influences marketing and sales decisions
- Identify the key components of the hospitality commercial ecosystem
- Recognize major trends shaping hospitality markets and consumer behavior

What Is Sales and Marketing in Hospitality and Tourism?

Sales and marketing refer to the coordinated organizational activities through which hospitality firms understand markets, create customer value, communicate offerings, and generate revenue (Kotler, et al., 2017)

It is focused on:

- Identifying customer needs and market opportunities
- Developing value propositions that attract target segments
- Supporting revenue generation and occupancy performance
- Building long-term customer relationships
- Enhancing competitive positioning within dynamic markets



Core Dimensions of Hospitality Sales and Marketing

Hospitality sales and marketing encompass key dimensions that guide how organizations create value, compete effectively, and achieve commercial success (Kotler et al., 2017; Hudson, 2022).

1. Customer value creation

Delivering benefits that exceed the total cost incurred by guests, thereby increasing satisfaction, loyalty, and willingness to pay.

2. Market orientation

Continuously analyzing customer preferences, competitor actions, and industry developments to support informed decision-making.

3. Strategic positioning

Establishing a distinctive place in the market through differentiated service offerings and clear value propositions.

Continued...

4. Integrated commercial approach

Aligning marketing and sales activities to ensure consistent messaging, efficient demand generation, and revenue optimization.

5. Performance focus

Using measurable indicators such as occupancy, conversion rates, and revenue metrics to evaluate commercial effectiveness.

The Strategic Role of Sales and Marketing in Hospitality

The strategic role of sales and marketing lies in connecting organizational capabilities with market opportunities to create superior value and sustain competitive advantage (Porter, 1996; Kotler et al., 2017).

It is focused on:

- Supporting long-term organizational direction and growth
- Identifying attractive market segments and revenue opportunities
- Strengthening brand positioning in competitive environments
- Enabling differentiation through service, experience, and value
- Reducing demand uncertainty via proactive market engagement



Why Do Some Hospitality Businesses Consistently Outperform?

Sales and Marketing as Drivers of Hospitality Revenue

Sales and marketing function as **primary mechanisms** through which hospitality firms stimulate demand, optimize pricing, and convert market opportunities into financial performance (Kotler et al., 2017; Hayes, Miller, & Dopson, 2020).

It is focused on:

- Generating **qualified demand** across customer segments
- Supporting occupancy and average daily rate growth
- Improving revenue per available room
- Enhancing distribution effectiveness across channels
- Aligning promotional efforts with revenue objectives



The Hospitality Commercial Engine: Sales and Marketing

The hospitality commercial engine refers to the **integrated system** through which marketing **generates demand** and sales convert that demand into **revenue**, supporting overall organizational performance (Hayes et al., 2020; Kotler et al., 2017).

Key components include:

- Demand generation through targeted marketing initiatives
- Demand conversion via structured sales processes
- Pricing coordination to support revenue optimization
- Distribution channel management (direct and indirect)
- Cross-functional alignment with revenue management



Linking Customer Value to Revenue in Hospitality

Linking customer value to revenue involves delivering offerings that increase guests' willingness to pay while supporting the organization's financial objectives (Kotler et al., 2017; Hayes et al., 2020).

It is focused on:



- Enhancing perceived benefits relative to total customer cost
- Supporting pricing power through differentiated experiences
- Increasing customer satisfaction and repeat business
- Encouraging positive word-of-mouth and reputation strength
- Balancing service quality with operational efficiency

Principles of Commercial Success in Hospitality

Commercial success in hospitality is achieved through the coordinated management of market insight, value creation, pricing strategies, and relationship development to support sustainable organizational performance (Kotler et al., 2017; Hayes et al., 2020).

It is focused on:

- Integrating sales and marketing efforts for consistent market impact
- Aligning commercial strategy with organizational objectives
- Targeting profitable market segments
- Differentiating the service offering to strengthen positioning
- Applying disciplined pricing and revenue practices



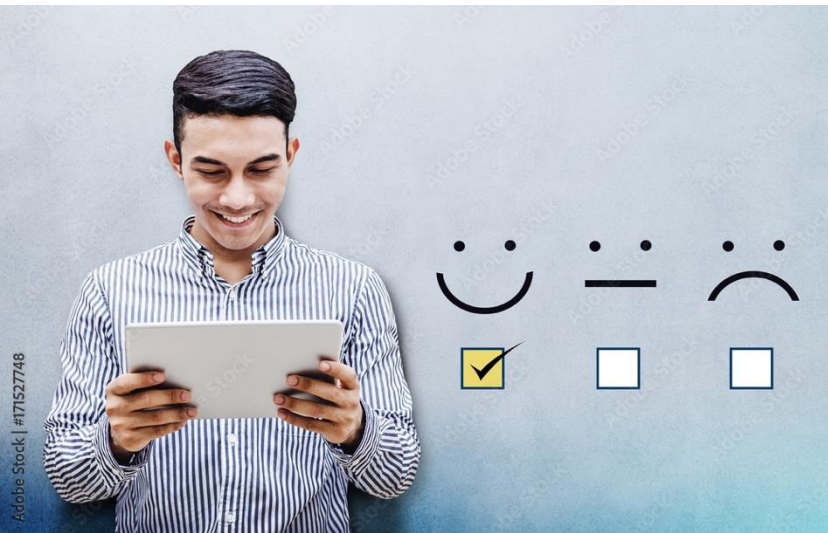
What Truly Influences a Guest's Booking Decision?

Understanding Customer Value in Hospitality and Tourism

Customer value refers to **the perceived benefits guests receive** relative to the total costs they incur, including **monetary expense**, time, effort, and psychological factors (Kotler et al., 2017; Zeithaml, 1988).

It is focused on:

- **Increasing guests'** willingness to pay
- Enhancing satisfaction through meaningful experiences
- Strengthening loyalty and repeat visitation
- Supporting differentiation in competitive markets
- Reducing perceived risk in purchase decisions



Creating Customer Value in Hospitality

Creating customer value involves designing and delivering service experiences that exceed guest expectations **while maintaining operational and financial viability** (Kotler et al., 2017; Kandampull et al., 2015)

It is focused on:

- Designing service offerings that address target segment needs
- Enhancing the guest experience across the customer journey
- Delivering consistent service quality
- Encouraging emotional engagement and memorable experiences



Foundations of Customer-Centric Hospitality Strategy

A customer-centric hospitality strategy **places guest needs, preferences, and experiences at the core of strategic decision-making** to enhance value creation and long-term performance (Kotler et al., 2017; Lemon & Verhoef, 2016).

It is focused on:

- Aligning services with clearly defined customer segments
- Using data and insights to understand guest preferences
- Designing seamless experiences across touchpoints
- Empowering employees to support service excellence
- Continuously improving based on customer feedback

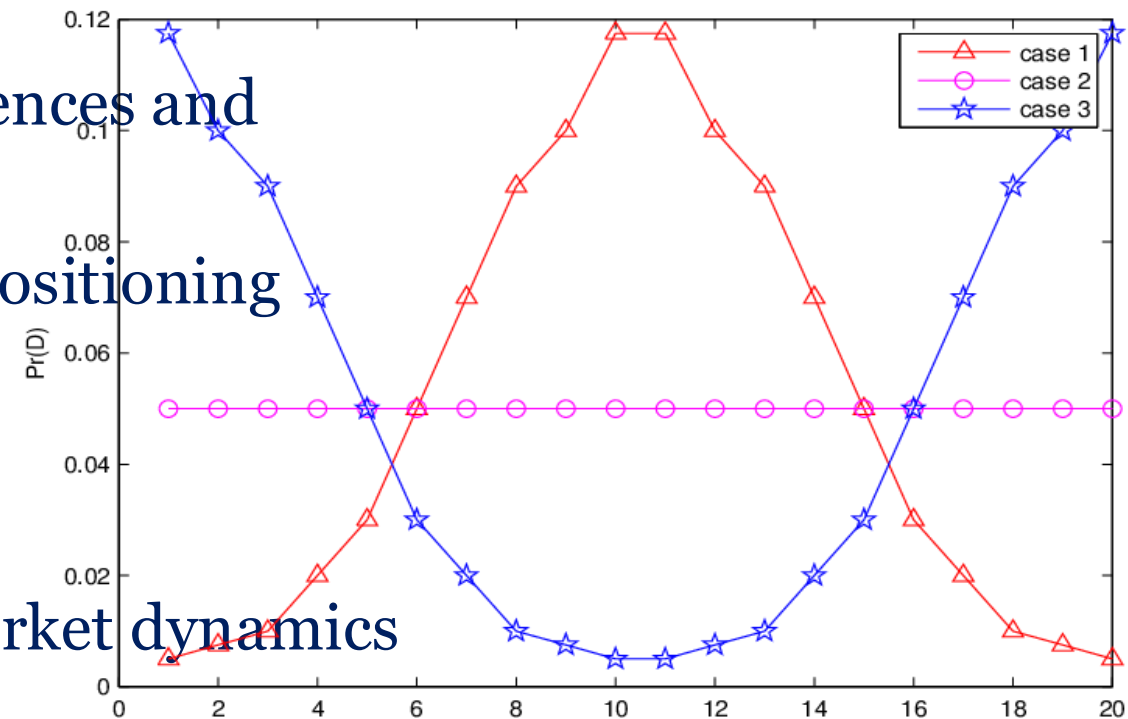


Market Orientation in Hospitality and Tourism

Market orientation refers to the organizational commitment to continuously generate market intelligence, understand customer needs, monitor competitors, and respond effectively to environmental changes (Kohli & Jaworski, 1990; Narver & Slater, 1990).

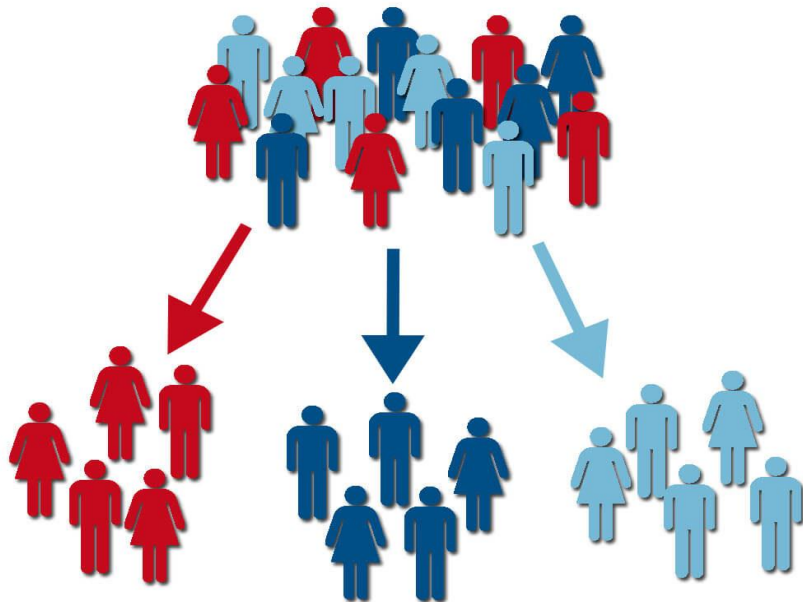
It is focused on:

- **Systematically analyzing** customer preferences and demand patterns
- Monitoring competitor strategies and market positioning
- Facilitating cross-functional coordination
- Supporting evidence-based decision-making
- Enhancing organizational responsiveness to market dynamics



Hospitality Markets: Customers, Value, and Strategy

Hospitality markets are shaped by the **interaction between customer expectations, organizational value propositions**, and strategic choices that determine how firms compete and grow (Kotler et al., 2017; Porter, 1996).



It is focused on:

- Identifying distinct customer groups with varying needs
- Matching value propositions to target segments
- Positioning the firm effectively
- Balancing demand generation with service capacity
- Aligning strategic decisions with market opportunities

Are Hospitality Businesses Selling Rooms or Experiences?

Overview of the Hospitality Sales and Marketing Ecosystem

The hospitality sales and marketing ecosystem comprises the **interconnected actors, channels, and processes** that collectively support demand generation and revenue performance (Kotler et al., 2017; Buhalis & Law, 2008).

Key components include:

- **Direct channels** (brand websites, reservation teams)
- Indirect channels (online travel agencies, tour operators)
- Strategic partners and intermediaries
- Digital platforms and communication networks
- Internal coordination across marketing, sales, and revenue management



The Business Foundations of Hospitality Sales and Marketing

The business **foundations of hospitality** sales and marketing rest on **aligning organizational capabilities** with market opportunities to support value creation and financial sustainability (Kotler et al., 2017; Hayes et al., 2020).

It is focused on:

- Connecting commercial activities to overall business strategy
- **Allocating resources to** high-potential market segments
- Supporting **predictable revenue streams**
- Managing demand variability inherent in hospitality operations
- Reinforcing long-term organizational resilience



The Strategic Importance of Sales and Marketing

Sales and marketing play a critical strategic role by shaping how **hospitality organizations compete, create value, and sustain long-term performance** within dynamic market environments (Porter, 1996; Kotler et al., 2017).

It is focused on:

- Guiding **strategic positioning** within competitive markets
- Identifying growth opportunities and revenue sources
- Supporting **brand strength** and **market visibility**
- Informing strategic decision-making via market intelligence
- Enhancing organizational adaptability to external change



Sales, Marketing, and Value Creation in Hospitality

Sales and marketing contribute directly to value creation by enhancing **perceived benefits for customers** while supporting the organization's ability to generate superior financial returns (Porter, 1985; Kotler et al., 2017).

It is focused on:

- Increasing **customer willingness to pay**
- Communicating value effectively to target markets
- Supporting revenue growth and profitability
- Strengthening **brand equity** and customer relationships
- Aligning **commercial initiatives** with strategic objectives



Strategic Foundations of Hospitality Sales and Marketing

The strategic foundations of hospitality sales and marketing emphasize the development of **coherent long-term choices** that align market positioning, resource deployment, and value creation (Johnson et al., 2020; Kotler et al., 2017).

It is focused on:

- Establishing a clear **competitive position**
- Aligning **commercial activities** with organizational strategy
- Leveraging **core capabilities** to support differentiation
- Making deliberate **trade-offs** to avoid **strategic ambiguity**
- Ensuring consistency between **strategic intent and execution**



What External Forces Are Reshaping Hospitality Today?

The Role of Sales and Marketing in the Hospitality Industry

Sales and marketing support organizational performance by **connecting service offerings with market** demand and enabling firms to compete effectively within dynamic industry environments (Kotler et al., 2017; Morrison, 2019).

It is focused on:

- Generating awareness and **stimulating demand**
- **Positioning** the organization within competitive markets
- Supporting occupancy, revenue, and **market share growth**
- Building **long-term relationships** with guests and partners
- Facilitating **strategic responses** to market changes



Hospitality Industry Trends and Commercial Challenges

The hospitality industry is **shaped by evolving trends that create both opportunities and challenges** for commercial strategy and organizational performance (Buhalis & Law, 2008; Morrison, 2019).

Key trends include:

- Growth of **digital distribution** and mobile booking behavior
- Increasing demand for **personalized guest experiences**
- Greater **price transparency** across platforms
- Rising importance of **online reputation** management
- Expansion of **sustainable and responsible** tourism practices
- Intensifying **global competition**



Hospitality Consumers and Market Dynamics

Hospitality markets consist of **diverse consumer groups** whose needs, motivations, and purchasing behaviors shape demand patterns and influence organizational strategy (Kotler et al., 2017; Hudson, 2022).

It is focused on:

- Distinguishing between **leisure, business, and group segments**
- Recognizing variations in **purchasing power** and travel motivations
- Understanding **booking behaviors and decision processes**
- Identifying **geographic and demographic** differences



Key Takeaways

- Sales and marketing are strategic drivers of revenue and competitiveness.
- Customer value is fundamental to satisfaction, loyalty, and pricing power.
- Integration of sales and marketing strengthens commercial performance.
- Market orientation supports adaptability and informed decision-making.
- Experience-driven differentiation is critical in modern hospitality markets.
- Competitive advantage requires strong value creation and clear positioning.

Thank you



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